

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 895

1

AN ACT

2 To repeal sections 30.260, 139.235, 143.081,
3 148.020, 148.610, 301.560, 301.600, 301.610,
4 301.620, 301.630, 301.640, 301.660, 306.400,
5 306.405, 306.410, 306.420, 306.430, 351.120,
6 351.140, 351.145, 351.150, 351.155, 355.856,
7 356.211, 361.700, 362.020, 362.106, 362.117,
8 362.170, 362.245, 362.270, 362.275, 362.335,
9 365.100, 367.518, 400.9-102, 400.9-109,
10 400.9-303, 400.9-317, 400.9-323, 400.9-406,
11 400.9-407, 400.9-408, 400.9-409, 400.9-504,
12 400.9-509, 400.9-513, 400.9-525, 400.9-602,
13 400.9-608, 400.9-611, 400.9-613, 400.9-615,
14 400.9-625, 400.9-710, 407.432, 408.140,
15 408.510, 408.556, 408.557, 409.204, 409.402,
16 417.210, 454.516, 525.070, 570.130, 575.060,
17 700.350, 700.355, 700.360, 700.365, 700.370,
18 and 700.380, RSMo, sections 375.018 and
19 375.065 as enacted by house committee
20 substitute for senate substitute for senate
21 bill no. 193, ninety-first general assembly,
22 first regular session, section 375.018 as
23 enacted by conference committee substitute
24 for senate committee substitute for house
25 committee substitute for house bill no. 709,
26 eighty-seventh general assembly, first
27 regular session, and section 375.065 as
28 enacted by conference committee substitute
29 for house substitute for house committee
30 substitute for senate bill no. 896, ninetieth
31 general assembly, second regular session, and
32 to enact in lieu thereof seventy-eight new
33 sections relating to financial services, with
34 penalty provisions and an effective date for
35 certain sections.

36

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,

1 AS FOLLOWS:

2 Section A. Sections 30.260, 139.235, 143.081, 148.020,
3 148.610, 301.560, 301.600, 301.610, 301.620, 301.630, 301.640,
4 301.660, 306.400, 306.405, 306.410, 306.420, 306.430, 351.120,
5 351.140, 351.145, 351.150, 351.155, 355.856, 356.211, 361.700,
6 362.020, 362.106, 362.117, 362.170, 362.245, 362.270, 362.275,
7 362.335, 365.100, 367.518, 400.9-102, 400.9-109, 400.9-303,
8 400.9-317, 400.9-323, 400.9-406, 400.9-407, 400.9-408, 400.9-409,
9 400.9-504, 400.9-509, 400.9-513, 400.9-525, 400.9-602, 400.9-608,
10 400.9-611, 400.9-613, 400.9-615, 400.9-625, 400.9-710, 407.432,
11 408.140, 408.510, 408.556, 408.557, 409.204, 409.402, 417.210,
12 454.516, 525.070, 570.130, 575.060, 700.350, 700.355, 700.360,
13 700.365, 700.370, and 700.380, RSMo, sections 375.018 and 375.065
14 as enacted by house committee substitute for senate substitute
15 for senate bill no. 193, ninety-first general assembly, first
16 regular session, section 375.018 as enacted by conference
17 committee substitute for senate committee substitute for house
18 committee substitute for house bill no. 709, eighty-seventh
19 general assembly, first regular session, and section 375.065 as
20 enacted by conference committee substitute for house substitute
21 for house committee substitute for senate bill no. 896, ninetieth
22 general assembly, second regular session, are repealed and
23 seventy-eight new sections enacted in lieu thereof, to be known
24 as sections 30.260, 139.235, 143.081, 148.020, 148.610, 301.560,

1 301.600, 301.610, 301.620, 301.630, 301.640, 301.660, 306.400,
2 306.405, 306.410, 306.420, 306.430, 351.120, 351.140, 351.145,
3 351.150, 351.155, 355.856, 356.211, 361.700, 362.020, 362.106,
4 362.117, 362.170, 362.245, 362.270, 362.275, 362.335, 365.100,
5 367.518, 375.018, 375.065, 375.919, 400.9-102, 400.9-109, 400.9-
6 303, 400.9-602, 400.9-608, 400.9-611, 400.9-613, 400.9-615,
7 400.9-625, 400.9-710, 400.9-525, 400.9-317, 400.9-323, 400.9-406,
8 400.9-407, 400.9-408, 400.9-409, 400.9-504, 400.9-509, 400.9-513,
9 407.432, 407.433, 408.140, 408.510, 408.556, 408.557, 409.204,
10 409.402, 417.210, 454.516, 525.070, 541.155, 570.130, 575.060,
11 700.350, 700.355, 700.360, 700.365, 700.370, and 700.380, to read
12 as follows:

13 30.260. 1. The state treasurer shall prepare, maintain and
14 adhere to a written investment policy which shall include an
15 asset allocation plan which limits the total amount of state
16 moneys which may be invested in any particular investment
17 authorized by section 15, article IV of the Missouri
18 Constitution. The state treasurer shall present a copy of such
19 policy to the governor, commissioner of administration, state
20 auditor and general assembly at the commencement of each regular
21 session of the general assembly or at any time the written
22 investment policy is amended.

23 2. The state treasurer shall determine by the exercise of
24 the treasurer's best judgment the amount of state moneys that are

1 not needed for current operating expenses of the state government
2 and shall keep on demand deposit in banking institutions in this
3 state selected by the treasurer and approved by the governor and
4 state auditor the amount of state moneys which the treasurer has
5 so determined are needed for current operating expenses of the
6 state government and disburse the same as authorized by law.

7 3. Within the parameters of the state treasurer's written
8 investment policy, the state treasurer shall place the state
9 moneys which the treasurer has determined are not needed for
10 current operations of the state government on time deposit
11 drawing interest in banking institutions in this state selected
12 by the treasurer and approved by the governor and the state
13 auditor, or place them outright or, if applicable, by repurchase
14 agreement in obligations described in section 15, article IV,
15 Constitution of Missouri, as the treasurer in the exercise of the
16 treasurer's best judgment determines to be in the best overall
17 interest of the people of the state of Missouri, giving due
18 consideration to:

- 19 (1) The preservation of such state moneys;
- 20 (2) The liquidity needs of the state;
- 21 (3) The comparative yield to be derived therefrom;
- 22 (4) The effect upon the economy and welfare of the people
23 of Missouri of the removal or withholding from banking
24 institutions in the state of all or some such state moneys and

1 investing same in obligations authorized in section 15, article
2 IV of the Missouri Constitution; and

3 (5) All other factors which to the treasurer as a prudent
4 state treasurer seem to be relevant to the general public welfare
5 in the light of the circumstances at the time prevailing. The
6 state treasurer may also place state moneys which are determined
7 not needed for current operations of the state government in
8 linked deposits as provided in sections 30.750 to 30.767.

9 4. Except for state moneys deposited in linked deposits as
10 provided in sections 30.750 to 30.767, the rate of interest
11 payable by all banking institutions on time deposits of state
12 moneys shall be the same as the average rate paid during the week
13 next preceding the week in which the deposit was made for United
14 States of America treasury securities maturing and becoming
15 payable closest to the time of termination of the deposit, as
16 determined by the state treasurer, adjusted to the nearest
17 one-tenth of a percent; except that the rate shall never exceed
18 the maximum rate of interest which by federal law or regulation a
19 bank which is a member of the Federal Reserve System may from
20 time to time pay on a time deposit of the same size and maturity.

21 5. Within the parameters of the state treasurer's written
22 investment policy, the state treasurer may subscribe for or
23 purchase outright or by repurchase agreement investments of the
24 character described in subsection 3 of this section which the

1 treasurer, in the exercise of the treasurer's best judgment,
2 believes to be the best for investment of state moneys at the
3 time and in payment therefor may withdraw moneys from any bank
4 account, demand or time, maintained by the treasurer without
5 having any supporting warrant of the commissioner of
6 administration. The state treasurer may bid on subscriptions for
7 such obligations in accordance with the treasurer's best
8 judgment. The state treasurer shall provide for the safekeeping
9 of all such obligations so acquired in the same manner that
10 securities pledged to secure the repayment of state moneys
11 deposited in banking institutions are kept by the treasurer
12 pursuant to law. The state treasurer may hold any such
13 obligation so acquired by the treasurer until its maturity or
14 prior thereto may sell the same outright or by reverse repurchase
15 agreement provided the state's security interest in the
16 underlying security is perfected or temporarily exchange such
17 obligation for cash or other authorized securities of at least
18 equal market value with no maturity more than one year beyond the
19 maturity of any of the traded obligations, for a negotiated fee
20 as the treasurer, in the exercise of the treasurer's best
21 judgment, deems necessary or advisable for the best interest of
22 the people of the state of Missouri in the light of the
23 circumstances at the time prevailing. The state treasurer may
24 pay all costs and expenses reasonably incurred by the treasurer

1 in connection with the subscription, purchase, sale, collection,
2 safekeeping or delivery of all such obligations at any time
3 acquired by the treasurer.

4 6. As used in this chapter, except as more particularly
5 specified in section 30.270, obligations of the United States
6 shall include securities of the United States Treasury, and
7 United States agencies or instrumentalities as described in
8 section 15, article IV, Constitution of Missouri. The word
9 "temporarily" as used in this section shall mean no more than six
10 months.

11 139.235. Any person required to pay any tax who issues or
12 passes a check, or other similar sight order, which is returned
13 to the department of revenue, county collector, or treasurer ex
14 officio collector because the account upon which the check or
15 order was drawn was closed or did not have sufficient funds at
16 the time of presentation for payment by the department of
17 revenue, county collector, or treasurer ex officio collector to
18 meet the face amount of the check or order, may, unless there be
19 good cause shown, be assessed by the department of revenue, in
20 addition to any other penalty or interest that may be owed, a
21 penalty of ten dollars or five percent of the total amount of the
22 returned check or order, whichever amount is greater, but in no
23 event shall such penalty imposed exceed one hundred dollars.
24 Such person may also be assessed by the county collector or

1 treasurer ex officio collector, in addition to any other penalty
2 or interest that may be owed, a penalty not to exceed twenty-five
3 dollars. The department of revenue, county collector, or
4 treasurer ex officio collector may refuse to accept any check or
5 other similar sight order in payment of any tax currently owed
6 plus penalty or interest from a person who previously attempted
7 to pay such amount with a check or order that was returned to the
8 department of revenue, county collector, or treasurer ex officio
9 collector unless the remittance is in the form of a cashier's
10 check, certified check, or money order.

11 143.081. 1. A resident individual, resident estate, and
12 resident trust shall be allowed a credit against the tax
13 otherwise due [under] pursuant to sections 143.005 to 143.998 for
14 the amount of any income tax imposed [on him] for the taxable
15 year by another state of the United States (or a political
16 subdivision thereof) or the District of Columbia on income
17 derived from sources therein and which is also subject to tax
18 [under] pursuant to sections 143.005 to 143.998. Solely for
19 purposes of this subsection, the phrase "income tax imposed"
20 shall include any income tax credit allowed by such other state
21 or the District of Columbia the basis for which is a charitable
22 contribution which qualifies as a charitable deduction from
23 income pursuant to the Internal Revenue Code of 1986, as amended
24 if the other state or the District of Columbia authorizes a

1 reciprocal benefit for residents of this state.

2 2. The credit provided [under] pursuant to this section
3 shall not exceed an amount which bears the same ratio to the tax
4 otherwise due [under] pursuant to sections 143.005 to 143.998 as
5 the amount of the taxpayer's Missouri adjusted gross income
6 derived from sources in the other taxing jurisdiction bears to
7 [his] the taxpayer's Missouri adjusted gross income derived from
8 all sources. In applying the limitation of the previous sentence
9 to an estate or trust, Missouri taxable income shall be
10 substituted for Missouri adjusted gross income. If the tax of
11 more than one other taxing jurisdiction is imposed on the same
12 item of income, the credit shall not exceed the limitation that
13 would result if the taxes of all the other jurisdictions
14 applicable to the item were deemed to be of a single
15 jurisdiction.

16 3. For the purposes of this section, in the case of an S
17 corporation, each resident S shareholder shall be considered to
18 have paid a tax imposed on the shareholder in an amount equal to
19 the shareholder's pro rata share of any net income tax paid by
20 the S corporation to a state which does not measure the income of
21 shareholders on an S corporation by reference to the income of
22 the S corporation or where a composite return and composite
23 payments are made in such state on behalf of the S shareholders
24 by the S corporation.

1 4. For purposes of subsection 3 of this section, in the
2 case of an S corporation that is a bank chartered by a state, the
3 office of thrift supervision, or the comptroller of currency,
4 each Missouri resident S shareholder of such out of state bank
5 shall qualify for the shareholder's pro rata share of any net tax
6 paid, including a bank franchise tax based on the income of the
7 bank, by such S corporation where bank payment of taxes are made
8 in such state on behalf of the S shareholders by the S bank to
9 the extent of the tax paid.

10 148.020. For the purposes of this law the following terms
11 shall have the following meanings:

12 (1) The term "banking institution" means every bank and
13 every trust company organized under any general or special law of
14 this state and every national banking association located in this
15 state and any branch or office physically located in this state
16 of any commercial bank or trust company;

17 (2) The term "director" means the director of revenue in
18 charge of the state department of revenue;

19 (3) The term "director of finance" means the chief officer
20 of the present state division of finance, or of such agency of
21 the state of Missouri as may hereafter have by law the
22 supervisory duties of the present state division of finance
23 pertaining to banks and trust companies incorporated under the
24 laws of this state;

1 (4) The term "income period" means the calendar year or
2 relevant portion thereof next preceding the taxable year;

3 (5) The term "lease or rental of tangible personal
4 property" means the lease or rental of tangible personal property
5 under the exclusive control of the lessee and neither attached to
6 nor functionally a part of a taxpayer's building or buildings or
7 any part thereof;

8 (6) The term "taxable year" means the calendar year in
9 which the tax is payable;

10 [(6)] (7) The term "taxpayer" means any banking institution
11 subject to any tax imposed by this law.

12 148.610. For the purposes of sections 148.610 to 148.700,
13 providing for the taxation of credit unions and savings and loan
14 associations, the following terms mean:

15 (1) "Association", a savings and loan association or
16 building and loan association organized under the laws of this
17 state, any other state, or under the laws of the United States
18 and having an office in this state;

19 (2) "Credit union", a credit union organized under section
20 370.010, RSMo, of the laws of this state or the United States and
21 located within this state, the principal business of which,
22 during the taxable year, consisted of receiving the savings of
23 members and making loans to members;

24 (3) "Director", the director of revenue;

1 (4) "Income period", the calendar year or relevant portion
2 thereof next preceding the taxable year;

3 (5) The term "lease or rental of tangible personal
4 property" means the lease or rental of tangible personal property
5 under the exclusive control of the lessee and neither attached to
6 nor functionally a part of a taxpayer's building or buildings or
7 any part thereof;

8 (6) "Taxable in another state", a taxpayer is taxable in
9 another state if, by reason of business activity in another
10 state, it is subject to and did pay one of the types of taxes
11 specified: a net income tax, a franchise tax measured by net
12 income, a franchise tax for the privilege of doing business, or a
13 corporate stock tax. The taxpayer must carry on business
14 activities in another state. If the taxpayer voluntarily files
15 and pays one or more of such taxes when not required to do so by
16 the laws of that state or pays a minimal fee for qualification,
17 organization or for the privilege of doing business in that
18 state, but does not actually engage in business activities in
19 that state, and does not have business facilities in that state
20 or does actually engage in some activity, not sufficient for
21 nexus, and the minimum tax bears no relation to the taxpayer's
22 activities with such state, the taxpayer is not taxable in
23 another state;

24 [(6)] (7) "Taxable year", the calendar year in which the

1 tax is payable;

2 [(7)] (8) "Taxpayer", any credit union or savings and loan
3 association subject to any tax imposed by sections 148.600 to
4 148.710.

5 301.560. 1. In addition to the application forms
6 prescribed by the department, each applicant shall submit the
7 following to the department:

8 (1) When the application is being made for licensure as a
9 manufacturer, boat manufacturer, motor vehicle dealer, boat
10 dealer, wholesale motor vehicle dealer, wholesale motor vehicle
11 auction or a public motor vehicle auction, a certification by a
12 uniformed member of the Missouri state highway patrol stationed
13 in the troop area in which the applicant's place of business is
14 located; except, that in counties of the first classification,
15 certification may be authorized by an officer of a metropolitan
16 police department when the applicant's established place of
17 business of distributing or selling motor vehicles or trailers is
18 in the metropolitan area where the certifying metropolitan police
19 officer is employed, that the applicant has a bona fide
20 established place of business. A bona fide established place of
21 business for any new motor vehicle franchise dealer or used motor
22 vehicle dealer shall include a permanent enclosed building or
23 structure, either owned in fee or leased and actually occupied as
24 a place of business by the applicant for the selling, bartering,

1 trading or exchanging of motor vehicles or trailers and wherein
2 the public may contact the owner or operator at any reasonable
3 time, and wherein shall be kept and maintained the books,
4 records, files and other matters required and necessary to
5 conduct the business. The applicant's place of business shall
6 contain a working telephone which shall be maintained during the
7 entire registration year. In order to qualify as a bona fide
8 established place of business for all applicants licensed
9 pursuant to this section there shall be an exterior sign
10 displayed carrying the name [and class] of the business
11 [conducted] set forth in letters at least six inches in height
12 and clearly visible to the public and there shall be an area or
13 lot which shall not be a public street on which one or more
14 vehicles may be displayed, except when licensure is for a
15 wholesale motor vehicle dealer, a lot and sign shall not be
16 required. The sign shall contain the name of the dealership by
17 which it is known to the public through advertising or otherwise,
18 which need not be identical to the name appearing on the
19 dealership's license so long as such name is registered as a
20 fictitious name with the secretary of state, has been approved by
21 its line-make manufacturer in writing in the case of a new motor
22 vehicle franchise dealer and a copy of such fictitious name
23 registration has been provided to the department. When licensure
24 is for a boat dealer, a lot shall not be required. In the case

1 of new motor vehicle franchise dealers, the bona fide established
2 place of business shall include adequate facilities, tools and
3 personnel necessary to properly service and repair motor vehicles
4 and trailers under their franchisor's warranty;

5 (2) If the application is for licensure as a manufacturer,
6 boat manufacturer, new motor vehicle franchise dealer, used motor
7 vehicle dealer, wholesale motor vehicle auction, boat dealer or a
8 public motor vehicle auction, a photograph, not to exceed eight
9 inches by ten inches, showing the business building and sign
10 shall accompany the initial application. In the case of a
11 manufacturer, new motor vehicle franchise dealer or used motor
12 vehicle dealer, the photograph shall include the lot of the
13 business. A new motor vehicle franchise dealer applicant who has
14 purchased a currently licensed new motor vehicle franchised
15 dealership shall be allowed to submit a photograph of the
16 existing dealership building, lot and sign but shall be required
17 to submit a new photograph upon the installation of the new
18 dealership sign as required by sections 301.550 to 301.573.
19 Applicants shall not be required to submit a photograph annually
20 unless the business has moved from its previously licensed
21 location, or unless the name of the business or address has
22 changed, or unless the class of business has changed;

23 (3) If the application is for licensure as a wholesale
24 motor vehicle dealer or as a boat dealer, the application shall

1 contain the business address, not a post office box, and
2 telephone number of the place where the books, records, files and
3 other matters required and necessary to conduct the business are
4 located and where the same may be inspected during normal daytime
5 business hours. Wholesale motor vehicle dealers and boat dealers
6 shall file reports as required of new franchised motor vehicle
7 dealers and used motor vehicle dealers;

8 (4) Every applicant as a new motor vehicle franchise
9 dealer, a used motor vehicle dealer, a wholesale motor vehicle
10 dealer, or boat dealer shall furnish with the application a
11 corporate surety bond or an irrevocable letter of credit as
12 defined in section 400.5-103, RSMo, issued by any state or
13 federal financial institution in the penal sum of twenty-five
14 thousand dollars on a form approved by the department. The bond
15 or irrevocable letter of credit shall be conditioned upon the
16 dealer complying with the provisions of the statutes applicable
17 to new motor vehicle franchise dealers, used motor vehicle
18 dealers, wholesale motor vehicle dealers and boat dealers, and
19 the bond shall be an indemnity for any loss sustained by reason
20 of the acts of the person bonded when such acts constitute
21 grounds for the suspension or revocation of the dealer's license.
22 The bond shall be executed in the name of the state of Missouri
23 for the benefit of all aggrieved parties or the irrevocable
24 letter of credit shall name the state of Missouri as the

1 beneficiary; except, that the aggregate liability of the surety
2 or financial institution to the aggrieved parties shall, in no
3 event, exceed the amount of the bond or irrevocable letter of
4 credit. The proceeds of the bond or irrevocable letter of credit
5 shall be paid upon receipt by the department of a final judgment
6 from a Missouri court of competent jurisdiction against the
7 principal and in favor of an aggrieved party;

8 (5) Payment of all necessary license fees as established by
9 the department. In establishing the amount of the annual license
10 fees, the department shall, as near as possible, produce
11 sufficient total income to offset operational expenses of the
12 department relating to the administration of sections 301.550 to
13 301.573. All fees payable pursuant to the provisions of sections
14 301.550 to 301.573, other than those fees collected for the
15 issuance of dealer plates or certificates of number collected
16 pursuant to subsection 6 of this section, shall be collected by
17 the department for deposit in the state treasury to the credit of
18 the "Motor Vehicle Commission Fund", which is hereby created.
19 The motor vehicle commission fund shall be administered by the
20 Missouri department of revenue. The provisions of section
21 33.080, RSMo, to the contrary notwithstanding, money in such fund
22 shall not be transferred and placed to the credit of the general
23 revenue fund until the amount in the motor vehicle commission
24 fund at the end of the biennium exceeds two times the amount of

1 the appropriation from such fund for the preceding fiscal year
2 or, if the department requires permit renewal less frequently
3 than yearly, then three times the appropriation from such fund
4 for the preceding fiscal year. The amount, if any, in the fund
5 which shall lapse is that amount in the fund which exceeds the
6 multiple of the appropriation from such fund for the preceding
7 fiscal year.

8 2. In the event a new manufacturer, boat manufacturer,
9 motor vehicle dealer, wholesale motor vehicle dealer, boat
10 dealer, wholesale motor vehicle auction or a public motor vehicle
11 auction submits an application for a license for a new business
12 and the applicant has complied with all the provisions of this
13 section, the department shall make a decision to grant or deny
14 the license to the applicant within eight working hours after
15 receipt of the dealer's application, notwithstanding any rule of
16 the department.

17 3. Upon the initial issuance of a license by the
18 department, the department shall assign a distinctive dealer
19 license number or certificate of number to the applicant and the
20 department shall issue one number plate or certificate bearing
21 the distinctive dealer license number or certificate of number
22 within eight working hours after presentment of the application.
23 Upon the renewal of a boat dealer, boat manufacturer,
24 manufacturer, motor vehicle dealer, public motor vehicle auction,

1 wholesale motor vehicle dealer or wholesale motor vehicle
2 auction, the department shall issue the distinctive dealer
3 license number or certificate of number as quickly as possible.
4 The issuance of such distinctive dealer license number or
5 certificate of number shall be in lieu of registering each motor
6 vehicle, trailer, vessel or vessel trailer dealt with by a boat
7 dealer, boat manufacturer, manufacturer, public motor vehicle
8 auction, wholesale motor vehicle dealer, wholesale motor vehicle
9 auction or motor vehicle dealer.

10 4. Notwithstanding any other provision of the law to the
11 contrary, the department shall assign the following distinctive
12 dealer license numbers to:

13 New motor vehicle franchise dealers D-0 through D-999
14 New motor vehicle franchise and commercial
15 motor vehicle dealers D-1000 through D-1999
16 Used motor vehicle dealers....D-2000 through D-5399 and
17 D-6000 through D-9999
18 Wholesale motor vehicle dealers W-1000 through W-1999
19 Wholesale motor vehicle auctions W-2000 through W-2999
20 Trailer dealers T-0 through T-9999
21 Motor vehicle and trailer manufacturers . . . M-0 through M-9999
22 Motorcycle dealers D-5400 through D-5999
23 Public motor vehicle auctions A-1000 through A-1999

1 Boat dealers and boat manufacturers B-0 through B-9999

2 5. Upon the sale of a currently licensed new motor vehicle
3 franchise dealership the department shall, upon request,
4 authorize the new approved dealer applicant to retain the selling
5 dealer's license number and shall cause the new dealer's records
6 to indicate such transfer.

7 6. In the case of manufacturers and motor vehicle dealers,
8 the department shall also issue one number plate bearing the
9 distinctive dealer license number to the applicant upon payment
10 by the manufacturer or dealer of a fifty-dollar fee. Such
11 license plates shall be made with fully reflective material with
12 a common color scheme and design, shall be clearly visible at
13 night, and shall be aesthetically attractive, as prescribed by
14 section 301.130. Boat dealers and boat manufacturers shall be
15 entitled to one certificate of number bearing such number upon
16 the payment of a fifty-dollar fee. As many additional number
17 plates as may be desired by manufacturers and motor vehicle
18 dealers and as many additional certificates of number as may be
19 desired by boat dealers and boat manufacturers may be obtained
20 upon payment of a fee of ten dollars and fifty cents for each
21 additional plate or certificate. A motor vehicle dealer, boat
22 dealer, manufacturer, boat manufacturer, public motor vehicle
23 auction, wholesale motor vehicle dealer or wholesale motor
24 vehicle auction obtaining a dealer license plate or certificate

1 of number or additional license plate or additional certificate
2 of number, throughout the calendar year, shall be required to pay
3 a fee for such license plates or certificates of number computed
4 on the basis of one-twelfth of the full fee prescribed for the
5 original and duplicate number plates or certificates of number
6 for such dealers' licenses, multiplied by the number of months
7 remaining in the licensing period for which the dealer or
8 manufacturers shall be required to be licensed. In the event of
9 a renewing dealer, the fee due at the time of renewal shall not
10 be prorated.

11 7. The plates issued pursuant to subsection 3 or 6 of this
12 section may be displayed on any motor vehicle owned and held for
13 resale by the motor vehicle dealer or manufacturer, and used by a
14 customer who is test driving the motor vehicle, or is used by an
15 employee or officer, but shall not be displayed on any motor
16 vehicle or trailer hired or loaned to others or upon any
17 regularly used service or wrecker vehicle. Motor vehicle dealers
18 may display their dealer plates on a tractor, truck or trailer to
19 demonstrate a vehicle under a loaded condition.

20 8. The certificates of number issued pursuant to subsection
21 3 or 6 of this section may be displayed on any vessel or vessel
22 trailer owned and held for resale by a boat manufacturer or a
23 boat dealer, and used by a customer who is test driving the
24 vessel or vessel trailer, or is used by an employee or officer,

1 but shall not be displayed on any vessel or vessel trailer hired
2 or loaned to others or upon any regularly used service vessel or
3 vessel trailer. Boat dealers and manufacturers may display their
4 certificate of number on a vessel or vessel trailer which is
5 being transported to an exhibit or show.

6 301.600. 1. Unless excepted by section 301.650, a lien or
7 encumbrance on a motor vehicle or trailer, as defined by section
8 301.010, is not valid against subsequent transferees or
9 lienholders of the motor vehicle or trailer who took without
10 knowledge of the lien or encumbrance unless the lien or
11 encumbrance is perfected as provided in sections 301.600 to
12 301.660.

13 2. Subject to the provisions of section 301.620, a lien or
14 encumbrance on a motor vehicle or trailer is perfected by the
15 delivery to the director of revenue of a notice of a lien in a
16 format as prescribed by the director of revenue. To perfect a
17 subordinate lien, the notice of lien must be accompanied by the
18 documents required to be delivered to the director pursuant to
19 subdivision (3) of section 301.620. The notice of lien is
20 perfected as of the time of its creation if the delivery of such
21 notice to the director of revenue is completed within thirty days
22 thereafter, otherwise as of the time of the delivery. A notice
23 of lien shall contain the name and address of the owner of the
24 motor vehicle or trailer and the secured party, a description of

1 the motor vehicle or trailer, including the vehicle
2 identification number, and such other information as the
3 department of revenue may prescribe. A notice of lien
4 substantially complying with the requirements of this section is
5 effective even though it contains minor errors which are not
6 seriously misleading. Provided the lienholder submits complete
7 and legible documents, the director of revenue shall mail
8 confirmation or electronically confirm receipt of such notice of
9 lien to the lienholder as soon as possible, but no later than
10 fifteen business days after the filing of the notice of lien.

11 3. Liens may secure future advances. The future advances
12 may be evidenced by one or more notes or other documents
13 evidencing indebtedness and shall not be required to be executed
14 or delivered prior to the date of the future advance lien
15 securing them. The fact that a lien may secure future advances
16 shall be clearly stated on the security agreement and noted as
17 "subject to future advances" on the notice of lien and noted on
18 the certificate of ownership if the motor vehicle or trailer is
19 subject to only one notice of lien. To secure future advances
20 when an existing lien on a motor vehicle or trailer does not
21 secure future advances, the lienholder shall file a notice of
22 lien reflecting the lien to secure future advances. A lien to
23 secure future advances is perfected in the same time and manner
24 as any other lien, except as follows: proof of the lien for

1 future advances is maintained by the department of revenue;
2 however, there shall be additional proof of such lien when the
3 notice of lien reflects such lien for future advances, is
4 receipted for by the department of revenue, and returned to the
5 lienholder.

6 4. If a motor vehicle or trailer is subject to a lien or
7 encumbrance when brought into this state, the validity and effect
8 of the lien or encumbrance is determined by the law of the
9 jurisdiction where the motor vehicle or trailer was when the lien
10 or encumbrance attached, subject to the following:

11 (1) If the parties understood at the time the lien or
12 encumbrance attached that the motor vehicle or trailer would be
13 kept in this state and it was brought into this state within
14 thirty days thereafter for purposes other than transportation
15 through this state, the validity and effect of the lien or
16 encumbrance in this state is determined by the law of this state;

17 (2) If the lien or encumbrance was perfected pursuant to
18 the law of the jurisdiction where the motor vehicle or trailer
19 was when the lien or encumbrance attached, the following rules
20 apply:

21 (a) If the name of the lienholder is shown on an existing
22 certificate of title or ownership issued by that jurisdiction,
23 the lien or encumbrance continues perfected in this state;

24 (b) If the name of the lienholder is not shown on an

1 existing certificate of title or ownership issued by that
2 jurisdiction, the lien or encumbrance continues perfected in this
3 state three months after a first certificate of ownership of the
4 motor vehicle or trailer is issued in this state, and also
5 thereafter if, within the three-month period, it is perfected in
6 this state. The lien or encumbrance may also be perfected in
7 this state after the expiration of the three-month period; in
8 that case perfection dates from the time of perfection in this
9 state;

10 (3) If the lien or encumbrance was not perfected pursuant
11 to the law of the jurisdiction where the motor vehicle or trailer
12 was when the lien or encumbrance attached, it may be perfected in
13 this state; in that case perfection dates from the time of
14 perfection in this state;

15 (4) A lien or encumbrance may be perfected pursuant to
16 paragraph (b) of subdivision (2) or subdivision (3) of this
17 subsection either as provided in subsection 2 or 3 of this
18 section or by the lienholder delivering to the director of
19 revenue a notice of lien or encumbrance in the form the director
20 of revenue prescribes and the required fee.

21 5. By rules and regulations, the director of revenue shall
22 establish a security procedure for the purpose of verifying that
23 an electronic notice of lien or notice of satisfaction of a lien
24 on a motor vehicle or trailer given as permitted in sections

1 301.600 to 301.640 is that of the lienholder, verifying that an
2 electronic notice of confirmation of ownership and perfection of
3 a lien given as required in section 301.610 is that of the
4 director of revenue, and detecting error in the transmission or
5 the content of any such notice. A security procedure may require
6 the use of algorithms or other codes, identifying words or
7 numbers, encryption, callback procedures or similar security
8 devices. Comparison of a signature on a communication with an
9 authorized specimen signature shall not by itself be a security
10 procedure.

11 301.610. 1. A certificate of ownership of a motor vehicle
12 or trailer when issued by the director of revenue shall be mailed
13 [or confirmation of such ownership shall be electronically
14 transmitted or mailed to the first lienholder named in such
15 certificate; and if no lienholder is shown, then the certificate
16 of ownership shall be mailed] to the owner shown on the face of
17 the title of such motor vehicle or trailer. If the certificate
18 of ownership is being held electronically by the director of
19 revenue at the election of a lienholder, then confirmation of
20 such ownership shall be electronically transmitted or mailed to
21 the first lienholder named in such certificate.

22 2. A lienholder may elect that the director of revenue
23 retain possession of an electronic certificate of ownership, and
24 the director shall issue regulations to cover the procedure by

1 which such election is made. Each such certificate of ownership
2 shall require a separate election, unless the director provides
3 otherwise by regulation. A subordinate lienholder shall be bound
4 by the election of the superior lienholder with respect to the
5 certificate involved.

6 3. "Electronic certificate of ownership" means any
7 electronic record of ownership, including a lien or liens that
8 may be recorded.

9 301.620. If an owner creates a lien or encumbrance on a
10 motor vehicle or trailer:

11 (1) The owner shall immediately execute the application, in
12 the space provided therefor on the certificate of ownership or on
13 a separate form the director of revenue prescribes, to name the
14 lienholder on the certificate, showing the name and address of
15 the lienholder and the date of the lienholder's security
16 agreement, and cause the certificate, application and the
17 required fee to be delivered to the director of revenue;

18 (2) The lienholder or an authorized agent licensed pursuant
19 to sections 301.112 to 301.119 shall deliver to the director of
20 revenue a notice of lien as prescribed by the director
21 accompanied by all other necessary documentation to perfect a
22 lien as provided in section 301.600;

23 (3) [Upon request of the owner or subordinate lienholder, a
24 lienholder in possession of the certificate of ownership shall

1 either mail or deliver the certificate to the subordinate
2 lienholder for delivery to the director of revenue or, upon
3 receipt from the subordinate lienholder of the owner's
4 application, the certificate and the required fee, mail or
5 deliver them to the director of revenue with the certificate.
6 The delivery of the certificate does not affect the rights of the
7 first lienholder under the security agreement] To perfect a lien
8 for a subordinate lienholder when a transfer of ownership occurs,
9 the subordinate lienholder shall either mail or deliver or cause
10 to be mailed or delivered, a completed notice of lien to the
11 department of revenue, accompanied by authorization from the
12 first lienholder. The owner shall ensure the subordinate
13 lienholder is recorded on the application for title at the time
14 the application is made to the department of revenue. To perfect
15 a lien for a subordinate lienholder when there is no transfer of
16 ownership, the owner or lienholder in possession of the
17 certificate, shall either mail or deliver or cause to be mailed
18 or delivered, the owner's application for title, certificate,
19 notice of lien, authorization from the first lienholder and title
20 fee to the department of revenue. The delivery of the
21 certificate and executing a notice of authorization to add a
22 subordinate lien does not affect the rights of the first
23 lienholder under the security agreement;

24 (4) Upon receipt of the [certificate, application and the

1 required fee] documents and fee required in subdivision (3) of
2 this section, the director of revenue shall issue a new
3 certificate of ownership containing the name and address of the
4 new lienholder, and shall mail the certificate as prescribed in
5 section 301.610 or if a lienholder who has elected for the
6 director of revenue to retain possession of an electronic
7 certificate of ownership the lienholder shall either mail or
8 deliver to the director a notice of authorization for the
9 director to add a subordinate lienholder to the existing
10 certificate. Upon receipt of such authorization [and], a notice
11 of lien and required documents and title fee, if applicable, from
12 a subordinate lienholder, the director shall add the subordinate
13 lienholder to the certificate of ownership being electronically
14 retained by the director and provide confirmation of the addition
15 to both lienholders;

16 (5) Failure of the owner to name the lienholder in the
17 application for title, as provided in this section is a class A
18 misdemeanor.

19 301.630. 1. A lienholder may assign, absolutely or
20 otherwise, his or her lien or encumbrance in the motor vehicle or
21 trailer to a person other than the owner without affecting the
22 interest of the owner or the validity or effect of the lien or
23 encumbrance, but any person without notice of the assignment is
24 protected in dealing with the lienholder as the holder of the

1 lien or encumbrance and the lienholder remains liable for any
2 obligations as lienholder until the assignee is named as
3 lienholder on the certificate.

4 2. The assignee may, but need not [to] perfect the
5 assignment, have the certificate of ownership endorsed or issued
6 with the assignee named as lienholder, upon delivering to the
7 director of revenue the certificate and an assignment by the
8 lienholder named in the certificate in the form the director of
9 revenue prescribes the application and the required fee.

10 3. If the certificate of ownership is being electronically
11 retained by the director of revenue, the original lienholder may
12 mail or deliver a notice of assignment of a lien to the director
13 in a form prescribed by the director. Upon receipt of notice of
14 assignment the director shall update the electronic certificate
15 of ownership to reflect the assignment of the lien and
16 lienholder.

17 301.640. 1. Upon the satisfaction of any lien or
18 encumbrance of a motor vehicle or trailer [for which the
19 certificate of ownership is in possession of the lienholder], the
20 lienholder shall, within ten business days release the lien or
21 encumbrance on the certificate or a separate document, and mail
22 or deliver the certificate [to the next lienholder named therein,
23 or, if none,] or a separate document to the owner or any person
24 who delivers to the lienholder an authorization from the owner to

1 receive the certificate or such documentation. The release on
2 the certificate or separate document shall be notarized. Each
3 perfected subordinate lienholder if any, shall release such lien
4 or encumbrance as provided in this section for the first
5 lienholder. The owner may cause the certificate to be mailed or
6 delivered to the director of revenue, who shall issue a new
7 certificate of ownership upon application and payment of the
8 required fee. A lien or encumbrance shall be satisfied for the
9 purposes of this section when a lienholder receives payment in
10 full in the form of certified funds, as defined in section
11 381.410, RSMo.

12 2. If the electronic certificate of ownership is in the
13 possession of the director of revenue, the lienholder shall
14 notify the director within ten business days of any release of a
15 lien and provide the director with the most current address of
16 the owner. The director shall note such release on the
17 electronic certificate and if no other lien exists the director
18 shall mail or deliver the certificate free of any lien to the
19 owner.

20 3. [Upon the satisfaction of any lien or encumbrance in a
21 motor vehicle or trailer for which a certificate is in possession
22 of a prior lienholder, the lienholder whose lien or encumbrance
23 is satisfied shall within ten business days release the lien or
24 encumbrance on the certificate and deliver the certificate to the

1 owner or any person who delivers to the lienholder an
2 authorization from the owner to receive it. The lienholder in
3 possession of the certificate shall at the request of the owner
4 and upon surrender of the certificate of title by the owner and
5 receipt of the required fee, either mail or deliver the
6 certificate of ownership to the director of revenue, or deliver
7 the certificate to the owner, or the person authorized by the
8 owner, for delivery to the director of revenue, who shall issue a
9 new certificate.

10 4.] If the purchase price of a motor vehicle or trailer did
11 not exceed six thousand dollars at the time of purchase, a lien
12 or encumbrance which was not perfected by a motor vehicle
13 financing corporation whose net worth exceeds one hundred million
14 dollars, or a depository institution, shall be considered
15 satisfied within six years from the date the lien or encumbrance
16 was originally perfected unless a new lien or encumbrance has
17 been perfected as provided in section 301.600. This subsection
18 does not apply to motor vehicles or trailers for which the
19 certificate of ownership has recorded in the second lienholder
20 portion the words "subject to future advances".

21 [5.] 4. Any lienholder who fails to comply with subsection
22 1[,] or 2 [or 3] of this section shall pay to the person or
23 persons satisfying the lien or encumbrance twenty-five dollars
24 for the first ten business days after expiration of the time

1 period prescribed in subsection 1[,] or 2 [or 3] of this section,
2 and such payment shall double for each ten days thereafter in
3 which there is continued noncompliance, up to a maximum of five
4 hundred dollars for each lien. If delivery of the certificate or
5 other lien release is made by mail, the delivery date is the date
6 of the postmark for purposes of this subsection.

7 5. Any person who knowingly and intentionally sends in a
8 separate document releasing a lien of another without authority
9 to do so shall be guilty of a class c felony.

10 301.660. All transactions involving liens or encumbrances
11 on motor vehicles or trailers entered into before July 1, [1991]
12 2003, and the rights, duties and interests flowing from them
13 remain valid thereafter and may be terminated, completed,
14 consummated or enforced as required or permitted by any statute
15 or other law amended or repealed by sections 301.600 to 301.660
16 as though the repeal or amendment had not occurred.

17 306.400. 1. As used in sections 306.400 to 306.440, the
18 terms "motorboat", "vessel", and "watercraft" shall have the same
19 meanings given them in section 306.010, and the term "outboard
20 motor" shall include outboard motors governed by section 306.530.

21 2. Unless excepted by section 306.425, a lien or
22 encumbrance on an outboard motor, motorboat, vessel, or
23 watercraft shall not be valid against subsequent transferees or
24 lienholders of the outboard motor, motorboat, vessel or

1 watercraft, who took without knowledge of the lien or encumbrance
2 unless the lien or encumbrance is perfected as provided in
3 sections 306.400 to 306.430.

4 3. A lien or encumbrance on an outboard motor, motorboat,
5 vessel or watercraft is perfected by the delivery to the director
6 of revenue of a notice of lien in a format as prescribed by the
7 director. Such lien or encumbrance shall be perfected as of the
8 time of its creation if the delivery of the items required in
9 this subsection to the director of revenue is completed within
10 thirty days thereafter, otherwise such lien or encumbrance shall
11 be perfected as of the time of the delivery. A notice of lien
12 shall contain the name and address of the owner of the outboard
13 motor, motorboat, vessel or watercraft and the secured party, a
14 description of the outboard motor, motorboat, vessel or
15 watercraft motor, including any identification number, and such
16 other information as the department of revenue may prescribe. A
17 notice of lien substantially complying with the requirements of
18 this section is effective even though it contains minor errors
19 which are not seriously misleading. Provided the lienholder
20 submits complete and legible documents, the director of revenue
21 shall mail confirmation or electronically confirm receipt of each
22 notice of lien to the lienholder as soon as possible, but no
23 later than fifteen business days after the filing of the notice
24 of lien.

1 4. Liens may secure future advances. The future advances
2 may be evidenced by one or more notes or other documents
3 evidencing indebtedness and shall not be required to be executed
4 or delivered prior to the date of the future advance lien
5 securing them. The fact that a lien may secure future advances
6 shall be clearly stated on the security agreement and noted as
7 "subject to future advances" in the second lienholder's portion
8 of the notice of lien. To secure future advances when an
9 existing lien on an outboard motor, motorboat, vessel or
10 watercraft does not secure future advances, the lienholder shall
11 file a notice of lien reflecting the lien to secure future
12 advances. A lien to secure future advances is perfected in the
13 same time and manner as any other lien, except as follows. Proof
14 of the lien for future advances is maintained by the department
15 of revenue; however, there shall be additional proof of such lien
16 when the notice of lien reflects such lien for future advances,
17 is receipted for by the department of revenue, and returned to
18 the lienholder.

19 5. Whether an outboard motor, motorboat, vessel, or
20 watercraft is subject to a lien or encumbrance shall be
21 determined by the laws of the jurisdiction where the outboard
22 motor, motorboat, vessel, or watercraft was when the lien or
23 encumbrance attached, subject to the following:

24 (1) If the parties understood at the time the lien or

1 encumbrances attached that the outboard motor, motorboat, vessel,
2 or watercraft would be kept in this state and it is brought into
3 this state within thirty days thereafter for purposes other than
4 transportation through this state, the validity and effect of the
5 lien or encumbrance in this state shall be determined by the laws
6 of this state;

7 (2) If the lien or encumbrance was perfected pursuant to
8 the laws of the jurisdiction where the outboard motor, motorboat,
9 vessel, or watercraft was when the lien or encumbrance attached,
10 the following rules apply:

11 (a) If the name of the lienholder is shown on an existing
12 certificate of title or ownership issued by that jurisdiction,
13 his or her lien or encumbrance continues perfected in this state;

14 (b) If the name of the lienholder is not shown on an
15 existing certificate of title or ownership issued by the
16 jurisdiction, the lien or encumbrance continues perfected in this
17 state for three months after the first certificate of title of
18 the outboard motor, motorboat, vessel, or watercraft is issued in
19 this state, and also thereafter if, within the three-month
20 period, it is perfected in this state. The lien or encumbrance
21 may also be perfected in this state after the expiration of the
22 three-month period, in which case perfection dates from the time
23 of perfection in this state;

24 (3) If the lien or encumbrance was not perfected pursuant

1 to the laws of the jurisdiction where the outboard motor,
2 motorboat, vessel, or watercraft was when the lien or encumbrance
3 attached, it may be perfected in this state, in which case
4 perfection dates from the time of perfection in this state;

5 (4) A lien or encumbrance may be perfected pursuant to
6 paragraph (b) of subdivision (2) or subdivision (3) of this
7 subsection in the same manner as provided in subsection 3 of this
8 section.

9 6. The director of revenue shall by rules and regulations
10 establish a security procedure to verify that an electronic
11 notice or lien or notice of satisfaction of a lien on an outboard
12 motor, motorboat, vessel or watercraft given pursuant to sections
13 306.400 to 306.440 is that of the lienholder, to verify that an
14 electronic notice of confirmation of ownership and perfection of
15 a lien given pursuant to section 306.410 is that of the director
16 of revenue and to detect error in the transmission or the content
17 of any such notice. Such a security procedure may require the
18 use of algorithms or other codes, identifying words or numbers,
19 encryption, callback procedures or similar security devices.
20 Comparison of a signature on a communication with an authorized
21 specimen signature shall not by itself constitute a security
22 procedure.

23 306.405. 1. All certificates of title of an outboard
24 motor, motorboat, vessel, or watercraft issued by the director of

1 revenue shall be mailed [or confirmation of such ownership shall
2 be electronically transmitted or mailed to the first lienholder
3 named in such certificate or, if no lienholder is named,] to the
4 owner named therein. If the certificate of ownership is being
5 held electronically by the director of revenue at the election of
6 a lienholder, then confirmation of such ownership shall be
7 electronically transmitted or mailed to the first lienholder
8 named in such certificate.

9 2. A lienholder may elect to have the director of revenue
10 retain possession of an electronic certificate of title and the
11 director shall issue regulations to govern the procedure for
12 making such an election. Each such certificate of title shall
13 require a separate election unless the director provides
14 otherwise by regulation. A subordinate lienholder shall be bound
15 by the election of the superior lienholder with respect to the
16 certificate involved.

17 3. "Electronic certificate of title" means any electronic
18 record of ownership, including liens that may be recorded.

19 306.410. If an owner creates a lien or encumbrance on an
20 outboard motor, motorboat, vessel, or watercraft:

21 (1) The owner shall immediately execute the application,
22 either in the space provided therefor on the certificate of title
23 or on a separate form the director of revenue prescribes, to name
24 the lienholder on the certificate of title, showing the name and

1 address of the lienholder and the date of his or her security
2 agreement, and shall cause the certificate of title, the
3 application and the required fee to be mailed or delivered to the
4 director of revenue. Failure of the owner to do so is a class A
5 misdemeanor;

6 (2) The lienholder or an authorized agent licensed pursuant
7 to sections 301.112 to 301.119, RSMo, shall deliver to the
8 director of revenue a notice of lien as prescribed by the
9 director accompanied by all other necessary documentation to
10 perfect a lien pursuant to section 306.400;

11 (3) [Upon request of the owner or subordinate lienholder, a
12 lienholder in possession of the certificate of title who receives
13 the owner's application and required fee shall mail or deliver
14 the certificate of title, application, and fee to the director of
15 revenue, unless such certificate of title secures future advance
16 liens. The delivery of the certificate of title to the director
17 of revenue shall not affect the rights of the first lienholder
18 under his or her security agreement] to perfect a lien for a
19 subordinate lienholder when a transfer of ownership occurs, the
20 subordinate lienholder shall either mail or deliver or cause to
21 be mailed or delivered, a completed notice of lien to the
22 department or revenue, accompanied by authorization from the
23 first lienholder. The owner shall ensure the subordinate
24 lienholder is recorded on the application for title at the time

1 the application is made to the department of revenue. To perfect
2 a lien for a subordinate lienholder when there is no transfer of
3 ownership, the owner or lienholder in possession of the
4 certificate, shall either mail or deliver or cause to be mailed
5 or delivered, the owner's application for title, certificate,
6 notice of lien, authorization from the first lienholder and title
7 fee to the department of revenue. The delivery of the
8 certificate and executing a notice of authorization to add a
9 subordinate lien does not affect the rights of the first
10 lienholder under the security agreement;

11 (4) Upon receipt of the [certificate of title, application
12 and the required fee] documents and fee required in subdivision
13 (3) of this section, the director of revenue shall issue a new
14 certificate of title containing the name and address of the new
15 lienholder, and mail the certificate of title to the first
16 lienholder named in it or if a lienholder has elected to have the
17 director of revenue retain possession of an electronic
18 certificate of title, the lienholder shall either mail or deliver
19 to the director a notice of authorization for the director to add
20 a subordinate lienholder to the existing certificate as
21 prescribed in section 306.405. Upon receipt of such
22 authorization and a notice of lien from a subordinate lienholder,
23 the director shall add the subordinate lienholder to the
24 certificate of title being electronically retained by the

1 director and provide confirmation of the addition to both
2 lienholders.

3 306.420. 1. Upon the satisfaction of a lien or encumbrance
4 on an outboard motor, motorboat, vessel, or watercraft [for which
5 the certificate of title is in the possession of the lienholder
6 and provided the owner waives any rights to future advances
7 subject to a lien in this chapter], the lienholder shall, within
8 ten days [after demand and, in any event, within thirty days,]
9 execute a release of his or her lien or encumbrance, on the
10 certificate or separate document, and mail or deliver the
11 certificate [and release to the next lienholder named therein,
12 or, if no other lienholder is so named,] or separate document to
13 the owner or any person who delivers to the lienholder an
14 authorization from the owner to receive the [certificate.]
15 documentation. The release on the certificate or separate
16 document shall be notarized. Each perfected subordinate
17 lienholder, if any, shall release such lien or encumbrance as
18 provided in this section for the first lienholder. The owner may
19 cause the certificate of title, the release, and the required fee
20 to be mailed or delivered to the director of revenue, who shall
21 release the lienholder's rights on the certificate and issue a
22 new certificate of title.

23 2. [Upon the satisfaction of a second or third lien or
24 encumbrance on an outboard motor, motorboat, vessel, or

1 watercraft for which the certificate of title is in the
2 possession of the first lienholder, the lienholder whose lien or
3 encumbrance is satisfied shall, within ten days after demand,
4 and, in any event, within thirty days, execute a release and
5 deliver the release to the owner or any person who delivers to
6 the lienholder an authorization from the owner to receive it.
7 The lienholder in possession of the certificate of title shall,
8 at the request of the owner and upon receipt of the release and
9 the required fee, either mail or deliver the certificate, the
10 release, and the required fee to the director of revenue, or
11 deliver the certificate of title to the owner, or the person
12 authorized by him or her, for delivery of the certificate, the
13 release and required fee to the director of revenue, who shall
14 release the subordinate lienholder's rights on the certificate of
15 title and issue a new certificate of title.

16 3.] If the electronic certificate of title is in the
17 possession of the director of revenue, the lienholder shall
18 notify the director within ten business days of any release of
19 lien and provide the director with the most current address of
20 the owner. The director shall note such release on the
21 electronic certificate and if no other lien exists, the director
22 shall mail or deliver the certificate free of any lien to the
23 owner.

24 3. Any person who knowingly and intentionally sends in a

1 separate document releasing a lien of another without authority
2 to do so shall be guilty of a class c felony.

3 306.430. All transactions involving liens or encumbrances
4 on outboard motors, motorboats, vessels, or watercraft entered
5 into before [April 1, 1986] July 1, 2003, and the rights, duties,
6 and interests flowing from such transactions shall remain valid
7 after [April 1, 1986] July 1, 2003, and may be terminated,
8 completed, consummated, or enforced as required or permitted by
9 any statute or other law amended or repealed by sections 306.400
10 to 306.430 as though such repeal or amendment had not occurred.

11 351.120. 1. Every corporation organized pursuant to the
12 laws of this state, including corporations organized pursuant to
13 or subject to this chapter, and every foreign corporation
14 licensed to do business in this state, whether such license shall
15 have been issued pursuant to this chapter or not, other than
16 corporations exempted from taxation by the laws of this state,
17 shall file an annual corporation registration report [stating
18 its].

19 2. The annual corporate registration report shall state the
20 corporate name, the name of its registered agent and such agent's
21 Missouri address, giving street and number, or building and
22 number, or both, as the case may require, the name and correct
23 business or residence address of its officers and directors, and
24 the mailing address of the corporation's principal place of

1 business or corporate headquarters.

2 3. The annual [corporation] corporate registration report
3 shall be due on the date that the corporation's franchise tax
4 report is due as required in section 147.020, RSMo, or within
5 thirty days of the date of incorporation of the corporation[;
6 but]. Any extension of time for filing the franchise tax report
7 shall not apply to the due date of the annual corporation
8 registration report. Any corporation that is not required to
9 file a franchise tax report shall still be required to file an
10 annual corporation registration report.

11 4. In the event of any change in the names and addresses of
12 the officers and directors set forth in an annual registration
13 report following the required date of its filing and the date of
14 the next such required report, the corporation may correct such
15 information by filing a certificate of correction pursuant to
16 section 351.049.

17 5. A corporation may change the corporation's registered
18 office or registered agent with the filing of the corporation's
19 annual registration report. To change the corporation's
20 registered agent with the filing of the annual registration
21 report, the corporation must include the new registered agent's
22 written consent to the appointment as registered agent and a
23 written consent stating that such change in registered agents was
24 authorized by resolution duly adopted by the board of directors.

1 The written consent must be signed by the new registered agent
2 and must include such agent's address. If the annual corporate
3 registration report is not completed correctly, the secretary of
4 state may reject the filing of such report.

5 6. A corporation's annual registration report must be filed
6 in a format as prescribed by the secretary of state.

7 351.140. Each registration required by section 351.120
8 shall be on a form to be supplied by the secretary of state and
9 shall be [signed] executed subject to the penalties of making a
10 false declaration under section 575.060, RSMo, by the president,
11 a vice president, the secretary, an assistant secretary, the
12 treasurer or an assistant treasurer of the corporation. Whenever
13 any corporation is in the hands of an assignee or receiver, it
14 shall be the duty of such assignee or receiver, or one of them,
15 if there be more than one, to register such corporation and
16 otherwise comply with the requirements of this chapter. The
17 forms shall bear a notice stating that false statements made
18 therein are punishable under section 575.060, RSMo.

19 351.145. It shall be the duty of the secretary of state to
20 [provide blank corporate registration forms] send notice that the
21 annual corporate registration report is due to each corporation
22 in this state required to register[, addressed]. The notice
23 shall be directed to its registered office as disclosed
24 originally by its articles of incorporation or by its application

1 for a certificate of authority to transact business in this state
2 and thereafter as disclosed by its registration for the year
3 preceding, as provided by law[, or addressed to the president or
4 a vice president at the principal place of business or corporate
5 headquarters of the corporation as the same appears in the
6 records of the secretary of state]. The secretary of state may
7 provide a form of the annual corporate registration report for
8 filing in a format and medium prescribed by the secretary of
9 state.

10 351.150. No corporation shall be excused for its failure to
11 comply with the provisions of this chapter by reason of failure
12 to receive the [blanks] notice in section 351.145 required to be
13 [mailed] given by the secretary of state.

14 351.155. It shall be the duty of the secretary of state to
15 furnish [duplicate blanks] forms of annual corporate registration
16 reports to any corporation upon request [of its president, or
17 secretary] to any representative of the corporation, but no such
18 [duplicate blanks] form of the annual corporate registration
19 report shall be furnished unless the name of the corporation for
20 which they are desired shall accompany the request.

21 355.856. 1. Each domestic corporation, and each foreign
22 corporation authorized pursuant to this chapter to transact
23 business in this state, shall [deliver to] file with the
24 secretary of state an annual corporate registration report on a

1 form prescribed and furnished by the secretary of state that sets
2 forth:

3 (1) The name of the corporation and the state or country
4 under whose law it is incorporated;

5 (2) The address of its registered office and the name of
6 its registered agent at the office in this state;

7 (3) The address of its principal office;

8 (4) The names and business or residence addresses of its
9 directors and principal officers;

10 (5) A brief description of the nature of its activities;

11 (6) Whether or not it has members;

12 (7) If it is a domestic corporation, whether it is a public
13 benefit or mutual benefit corporation; and

14 (8) If it is a foreign corporation, whether it would be a
15 public benefit or mutual benefit corporation had it been
16 incorporated in this state.

17 2. The information in the annual corporate registration
18 report must be current on the date the annual corporate
19 registration report is executed on behalf of the corporation.

20 3. The first annual corporate registration report must be
21 delivered to the secretary of state no later than August
22 thirty-first of the year following the calendar year in which a
23 domestic corporation was incorporated or a foreign corporation
24 was authorized to transact business. Subsequent annual corporate

1 registration reports must be delivered to the secretary of state
2 no later than August thirty-first of the following calendar
3 years. If an annual corporate registration report is not filed
4 within the time limits prescribed by this section, the secretary
5 of state shall not accept the report unless it is accompanied by
6 a fifteen-dollar fee. Failure to file the annual registration
7 report as required by this section will result in the
8 administrative dissolution of the corporation as set forth in
9 section 355.706.

10 4. If an annual corporate registration report does not
11 contain the information required by this section, the secretary
12 of state shall promptly notify the reporting domestic or foreign
13 corporation in writing and return the report to it for
14 correction. If the report is corrected to contain the
15 information required by this section and delivered to the
16 secretary of state within thirty days after the effective date of
17 notice, it is deemed to be timely filed.

18 5. A corporation may change the corporation's registered
19 office or registered agent with the filing of the corporation's
20 annual registration report. To change the corporation's
21 registered agent with the filing of the annual registration
22 report, the corporation must include the new registered agent's
23 written consent to the appointment as registered agent and a
24 written consent stating that such change in registered agents was

1 authorized by resolution duly adopted by the board of directors.
2 The written consent must be signed by the new registered agent
3 and must include such agent's address. If the annual corporate
4 registration report is not completed correctly, the secretary of
5 state may reject the filing of such report.

6 6. A corporation's annual registration report must be filed
7 in a format and medium prescribed by the secretary of state.

8 356.211. 1. Each professional corporation and each foreign
9 professional corporation shall file[, in duplicate,] with the
10 secretary of state an annual corporation registration report
11 [simultaneously with] at the time the corporation's franchise tax
12 report [setting] is due. Any extension of time for filing the
13 franchise tax report shall not apply to the due date of the
14 annual corporation registration report. Any corporation that is
15 not required to file a franchise tax report shall still be
16 required to file an annual corporation registration report. The
17 corporate registration report shall set forth the following
18 information:

19 (1) The names and residence addresses of all officers,
20 directors and shareholders of that professional corporation as of
21 the date of the report;

22 (2) A statement that each officer, director and shareholder
23 is or is not a qualified person as defined in sections 356.011 to
24 356.261, and setting forth the date on which any shares of the

1 professional corporation were no longer owned by a qualified
2 person, and any subsequent disposition thereof;

3 (3) A statement as to whether or not suit has been
4 instituted to fix the fair value of any shares not owned by a
5 qualified person, and if so, the date on which and the court in
6 which the same was filed.

7 2. The report shall be made on a form to be prescribed and
8 furnished by the secretary of state, and shall be [signed]
9 executed by the president or vice president, subject to the
10 penalties of making a false declaration under section 575.060,
11 RSMo. The form shall bear a notice stating that false statements
12 made therein are punishable under section 575.060, RSMo. A
13 reasonable filing fee to be set by the secretary of state shall
14 be paid with the filing of each report, and no other fees shall
15 be charged therefor; except that, penalty and interest fees may
16 be imposed by the secretary of state for late filings. The
17 report shall be filed subject to the time requirements of section
18 351.120, RSMo. [The duplicate original copy of the annual report
19 shall be forwarded to each licensing authority that regulates the
20 professional services for which the corporation is organized to
21 practice.]

22 3. If a professional corporation or foreign professional
23 corporation shall fail to file a report qualifying with the
24 provisions of this section when such a filing is due, then the

1 corporation shall be subject to the provisions of chapter 351,
2 RSMo, that are applicable to a corporation that has failed to
3 timely file the annual report required to be filed under chapter
4 351, RSMo.

5 361.700. 1. Sections 361.700 to 361.727 shall be known and
6 may be cited as the "Sale of Checks Law".

7 2. For the purposes of sections 361.700 to 361.727, the
8 following terms mean:

9 (1) "Check", any instrument for the transmission or payment
10 of money and shall also include any electronic means of
11 transmitting or paying money;

12 (2) "Director", the director of the division of finance;

13 (3) "Licensee", any person duly licensed by the director
14 pursuant to sections 361.700 to 361.727;

15 (4) "Person", any individual, partnership, association,
16 trust or corporation.

17 362.020. 1. The articles of agreement mentioned in this
18 chapter shall set out:

19 (1) The corporate name of the proposed corporation. The
20 corporate name shall not be a name, or an imitation of a name,
21 used within the preceding fifty years as a corporate title of a
22 bank or trust company incorporated in this state;

23 (2) The name of the city or town and county in this state
24 in which the corporation is to be located;

1 (3) The amount of the capital stock of the corporation, the
2 number of shares into which it is divided, and the par value
3 thereof; that the same has been subscribed in good faith and all
4 thereof actually paid up in lawful money of the United States and
5 is in the custody of the persons named as the first board of
6 directors or managers;

7 (4) The names and places of residences of the several
8 shareholders and number of shares subscribed by each;

9 (5) The number and the names of the first directors;

10 (6) The purposes for which the corporation is formed;

11 (7) Any provisions relating to the preemptive rights of a
12 shareholder as provided in section 351.305, RSMo.

13 2. The articles of agreement may designate the number of
14 directors necessary to constitute a quorum, and may provide for
15 the number of years the corporation is to continue, or may
16 provide that the existence of the corporation shall continue
17 until the corporation shall be dissolved by consent of the
18 stockholders or by proceedings instituted by the state under any
19 statute now in force or hereafter enacted.

20 362.106. In addition to the powers authorized by section
21 362.105:

22 (1) A bank or trust company may exercise all powers
23 necessary, proper or convenient to effect any of the purposes for
24 which the bank or trust company has been formed and any powers

1 incidental to the business of banking;

2 (2) A bank or trust company may offer any direct and
3 indirect benefits to a bank customer for the purpose of
4 attracting deposits or making loans, provided said benefit is not
5 otherwise prohibited by law, and the income or expense of such
6 activity is nominal;

7 (3) Notwithstanding any other law to the contrary, every
8 bank or trust company created under the laws of this state may,
9 for a fee or other consideration, directly or through a
10 subsidiary company, and upon complying with any applicable
11 licensing statute, acquire and hold the voting stock of one or
12 more corporations the activities of which are managing or owning
13 agricultural property, owning and leasing governmental structures
14 except as limited by other law, subdividing and developing real
15 property and building residential housing or commercial
16 improvements on such property, and owning, renting, leasing,
17 managing, operating for income and selling such property;
18 provided that, the total of all investments, loans and guarantees
19 made pursuant to the authority of this subdivision shall not
20 exceed five percent of the total assets of the bank or trust
21 company as shown on the next preceding published report of such
22 bank or trust company to the director of finance, unless the
23 director of the division of finance approves a higher percentage
24 by regulation, but in no event shall such percentage exceed that

1 allowed national banks by the appropriate regulatory authority,
2 and, in addition to the investments permitted by this
3 subdivision, a bank or trust company may extend credit, not to
4 exceed the lending limits of section 362.170, to each of the
5 corporations in which it has invested. No provision of this
6 section authorizes a bank or trust company to own or operate,
7 directly or through a subsidiary company, a real estate brokerage
8 company;

9 (4) Notwithstanding any other law to the contrary except
10 for bank regulatory powers in chapter 361, RSMo, powers
11 incidental to the business of banking shall include the authority
12 of every Missouri bank, for a fee or other consideration, and
13 upon complying with any applicable licensing and registration
14 law, to conduct any activity that national banks are expressly
15 authorized by federal law to conduct, if such Missouri bank meets
16 the prescribed standards, provided that powers conferred by this
17 subdivision:

18 (a) Shall always be subject to the same limitations
19 applicable to a national bank for conducting the activity;

20 (b) Shall be subject to applicable Missouri insurance law;

21 (c) Shall be subject to applicable Missouri licensing and
22 registration law for the activity;

23 (d) Shall be subject to the same treatment prescribed by
24 federal law; and any enabling federal law declared invalid by a

1 court of competent jurisdiction or by the responsible federal
2 chartering agency shall be invalid for the purposes of this
3 subdivision; and

4 (e) May be exercised by a Missouri bank after that
5 institution has notified the director of its intention to
6 exercise such specific power at the close of the notice period
7 and the director, in response, has made a determination that the
8 proposed activity is not an unsafe or unsound practice and such
9 institution meets the prescribed standards required for the
10 activity permitted national banks in the interpretive letter.
11 The director may either take no action or issue an interpretive
12 letter to the institution more specifically describing the
13 activity permitted, and any limitations on such activity. The
14 notice provided by the institution requesting such activity shall
15 include copies of the specific law authorizing the power for
16 national banks, and documentation indicating that such
17 institution meets the prescribed standards. The notice period
18 shall be thirty days but the director may extend it for an
19 additional sixty days. After a determination has been made
20 authorizing any activity pursuant to this subdivision, any
21 Missouri bank may exercise such power as provided in subdivision
22 (5) of this section without giving notice;

23 (5) When a determination is made pursuant to paragraph (e)
24 of subdivision (4) of this section, the director shall issue a

1 public interpretative letter or statement of no action regarding
2 the specific power authorized pursuant to subdivision (4) of this
3 section; such interpretative letters and statements of no action
4 shall be made with the name of the specific institution and
5 related identifying facts deleted. Such interpretative letters
6 and statements of no action shall be published on the division of
7 finance public Internet web site, and filed with the office of
8 the secretary of state for ten days prior to effectiveness. Any
9 other Missouri bank may exercise any power approved by
10 interpretative letter or statement of no action of the director
11 pursuant to this subdivision; provided, the institution meets the
12 requirements of the interpretative letter or statement of no
13 action and the prescribed standards required for the activity
14 permitted national banks in the interpretive letter. Such
15 Missouri bank shall not be required to give the notice pursuant
16 to paragraph (e) of subdivision (4) of this section. For the
17 purposes of this subdivision and subdivision (4) of this section,
18 "activity" shall mean the offering of any product or service or
19 the conducting of any other activity; "federal law" shall mean
20 any federal statute or regulation or an interpretive letter
21 issued by the Office of the Comptroller of the Currency;
22 "Missouri bank" shall mean any bank or trust company created
23 pursuant to the laws of this state.

24 362.117. 1. Any bank may become a trust company with all

1 the powers and subject to all the obligations and duties of trust
2 companies organized under the provisions of this chapter.

3 2. A bank desiring to become a trust company shall proceed
4 in the following manner:

5 (1) It shall call a meeting of its stockholders and shall
6 give notice thereof as provided in section 362.044;

7 (2) At the meeting so called the stockholders of the bank
8 may, by a vote of at least two-thirds of the entire capital stock
9 issued, outstanding and entitled to vote, direct that the bank
10 shall be transformed into a trust company. In the event that
11 such action is taken by the prescribed vote, a resolution may be
12 adopted fixing a future date certain upon which the state bank
13 shall be transformed into a trust company and directing not less
14 than five nor more than thirty of the stockholders of the bank,
15 who shall be designated by name in the resolution, to proceed
16 with the organization of the trust company;

17 (3) The designated stockholders shall proceed in all
18 respects as is provided by law for other individuals in
19 incorporating a trust company, except that the articles of
20 agreement may provide that instead of the capital stock being
21 paid up in lawful money the same may be paid up by an assignment
22 of the assets of the state bank about to dissolve, the assignment
23 to take effect at the aforesaid future date certain, and the
24 director may allow the assignment to be accepted instead of cash,

1 if the incorporators shall have certified in the articles of
2 agreement that the net value of the assigned assets is equal to
3 at least the full amount of the stock of the proposed trust
4 company, and the director, as the result of an examination by
5 himself, his deputies or his examiners, is satisfied that the
6 assets are of such value, and except further that the
7 stockholders may request in the resolution referred to in
8 subdivision (2) of subsection 2 of this section that the new
9 charter contain the original incorporation date for such state
10 bank to be dissolved and the director shall grant such request to
11 be included in the new trust company public charter to be issued.

12 362.170. 1. As used in this section, the term "unimpaired
13 capital" includes common and preferred stock, capital notes, the
14 surplus fund, undivided profits and any reserves, not subject to
15 known charges as shown on the next preceding published report of
16 the bank or trust company to the director of finance.

17 2. No bank or trust company subject to the provisions of
18 this chapter shall:

19 (1) Directly or indirectly, lend to any individual,
20 partnership, corporation, limited liability company or body
21 politic, either by means of letters of credit, by acceptance of
22 drafts, or by discount or purchase of notes, bills of exchange,
23 or other obligations of the individual, partnership, corporation,
24 limited liability company or body politic an amount or amounts in

1 the aggregate which will exceed [fifteen] the greater of: (i)
2 twenty-five percent of the unimpaired capital of the bank or
3 trust company, provided such bank or trust company has a
4 composite rating of 1 or 2 under the Capital, Assets, Management,
5 Earnings, Liquidity and Sensitivity (CAMELS) rating system of the
6 Federal Financial Institute Examination Counsel (FFIEC); (ii)
7 fifteen percent of the unimpaired capital of the bank or trust
8 company if located in a city having a population of one hundred
9 thousand or over; twenty percent of the unimpaired capital of the
10 bank or trust company if located in a city having a population of
11 less than one hundred thousand and over seven thousand; and
12 twenty-five percent of the unimpaired capital of the bank or
13 trust company if located elsewhere in the state, with the
14 following exceptions:

15 (a) The restrictions in this subdivision shall not apply
16 to:

17 a. Bonds or other evidences of debt of the government of
18 the United States or its territorial and insular possessions, or
19 of the state of Missouri, or of any city, county, town, village,
20 or political subdivision of this state;

21 b. Bonds or other evidences of debt, the issuance of which
22 is authorized under the laws of the United States, and as to
23 which the government of the United States has guaranteed or
24 contracted to provide funds to pay both principal and interest;

1 c. Bonds or other evidences of debt of any state of the
2 United States other than the state of Missouri, or of any county,
3 city or school district of the foreign state, which county, city,
4 or school district shall have a population of fifty thousand or
5 more inhabitants, and which shall not have defaulted for more
6 than one hundred twenty days in the payment of any of its general
7 obligation bonds or other evidences of debt, either principal or
8 interest, for a period of ten years prior to the time of purchase
9 of the investment and provided that the bonds or other evidences
10 of debt shall be a direct general obligation of the county, city,
11 or school district;

12 d. Loans to the extent that they are insured or covered by
13 guaranties or by commitments or agreements to take over or
14 purchase made by any department, bureau, board, commission, or
15 establishment of the United States or of the state of Missouri,
16 including any corporation, wholly owned, directly or indirectly,
17 by the United States or of the state of Missouri, pursuant to the
18 authority of any act of Congress or the Missouri general assembly
19 heretofore or hereafter adopted or amended or pursuant to the
20 authority of any executive order of the President of the United
21 States or the governor of Missouri heretofore or hereafter made
22 or amended under the authority of any act of Congress heretofore
23 or hereafter adopted or amended, and the part of the loan not so
24 agreed to be purchased or discounted is within the restrictive

1 provisions of this section;

2 e. Obligations to any bank or trust company in the form of
3 notes of any person, copartnership, association, corporation or
4 limited liability company, secured by not less than a like amount
5 of direct obligations of the United States which will mature in
6 not exceeding five years from the date the obligations to the
7 bank are entered into;

8 f. Loans to the extent they are secured by a segregated
9 deposit account in the lending bank if the lending bank has
10 obtained a perfected security interest in such account;

11 g. Evidences of debt which are direct obligations of, or
12 which are guaranteed by, the Government National Mortgage
13 Association, the Federal National Mortgage Association, the
14 Student Loan Marketing Association, the Federal Home Loan Banks,
15 the Federal Farm Credit Bank or the Federal Home Loan Mortgage
16 Corporation, or evidences of debt which are fully collateralized
17 by direct obligations of, and which are issued by, the Government
18 National Mortgage Association, the Federal National Mortgage
19 Association, the Student Loan Marketing Association, a Federal
20 Home Loan Bank, the Federal Farm Credit Bank or the Federal Home
21 Loan Mortgage Corporation;

22 (b) The total liabilities to the bank or trust company of
23 any individual, partnership, corporation or limited liability
24 company may equal but not exceed thirty-five percent of the

1 unimpaired capital of the bank or trust company; provided, that
2 all of the total liabilities in excess of the legal loan limit of
3 the bank or trust company as defined in this subdivision are upon
4 paper based upon the collateral security of warehouse receipts
5 covering agricultural products or the manufactured or processed
6 derivatives of agricultural products in public elevators and
7 public warehouses subject to state supervision and regulation in
8 this state or in any other state of the United States, under the
9 following conditions: first, that the actual market value of the
10 property held in store and covered by the receipt shall at all
11 times exceed by at least fifteen percent the amount loaned upon
12 it; and second, that the property covered by the receipts shall
13 be insured to the full market value thereof against loss by fire
14 and lightning, the insurance policies to be issued by
15 corporations or individuals licensed to do business by the state
16 in which the property is located, and when the insurance has been
17 used to the limit that it can be secured, then in corporations or
18 with individuals licensed to do an insurance business by the
19 state or country of their incorporation or residence; and all
20 policies covering property on which the loan is made shall have
21 endorsed thereon, "loss, if any, payable to the holder of the
22 warehouse receipts"; and provided further, that in arriving at
23 the amount that may be loaned by any bank or trust company to any
24 individual, partnership, corporation or limited liability company

1 on elevator or warehouse receipts there shall be deducted from
2 the thirty-five percent of its unimpaired capital the total of
3 all other liabilities of the individual, partnership, corporation
4 or limited liability company to the bank or trust company;

5 (c) In computing the total liabilities of any individual to
6 a bank or trust company there shall be included all liabilities
7 to the bank or trust company of any partnership of which the
8 individual is a member, and any loans made for the individual's
9 benefit or for the benefit of the partnership; of any partnership
10 to a bank or trust company there shall be included all
11 liabilities of and all loans made for the benefit of the
12 partnership; of any corporation to a bank or trust company there
13 shall be included all loans made for the benefit of the
14 corporation and of any limited liability company to a bank or
15 trust company there shall be included all loans made for the
16 benefit of the limited liability company;

17 (d) The purchase or discount of drafts, or bills of
18 exchange drawn in good faith against actually existing values,
19 shall not be considered as money borrowed within the meaning of
20 this section; and the purchase or discount of negotiable or
21 nonnegotiable paper which carries the full recourse endorsements
22 or guaranty or agreement to repurchase of the person,
23 copartnership, association, corporation or limited liability
24 company negotiating the same, shall not be considered as money

1 borrowed by the endorser or guarantor or the repurchaser within
2 the meaning of this section, provided that the files of the bank
3 or trust company acquiring the paper contain the written
4 certification by an officer designated for this purpose by its
5 board of directors that the responsibility of the makers has been
6 evaluated and the acquiring bank or trust company is relying
7 primarily upon the makers thereof for the payment of the paper;

8 (e) For the purpose of this section, a loan guaranteed by
9 an individual who does not receive the proceeds of the loan shall
10 not be considered a loan to the guarantor;

11 (f) Investments in mortgage-related securities, as
12 described in the Secondary Mortgage Market Enhancement Act of
13 1984, P.L. 98-440, excluding those described in subparagraph g.
14 of paragraph (a) of subdivision (1) of this subsection, shall be
15 subject to the restrictions of this section, provided that a bank
16 or trust company may invest up to two times its legal loan limit
17 in any such securities that are rated in one of the two highest
18 rating categories by at least one nationally recognized
19 statistical rating organization;

20 (2) Nor shall any of its directors, officers, agents, or
21 employees, directly or indirectly purchase or be interested in
22 the purchase of any certificate of deposit, pass book, promissory
23 note, or other evidence of debt issued by it, for less than the
24 principal amount of the debt, without interest, for which it was

1 issued. Every bank or trust company or person violating the
2 provisions of this subdivision shall forfeit to the state the
3 face value of the note or other evidence of debt so purchased;

4 (3) Make any loan or discount on the security of the shares
5 of its own capital stock, or be the purchaser or holder of these
6 shares, unless the security or purchase shall be necessary to
7 prevent loss upon a debt previously contracted in good faith, and
8 stock so purchased or acquired shall be sold at public or private
9 sale, or otherwise disposed of, within six months from the time
10 of its purchase or acquisition unless the time is extended by the
11 finance director. Any bank or trust company violating any of the
12 provisions of this subdivision shall forfeit to the state the
13 amount of the loan or purchase;

14 (4) Knowingly lend, directly or indirectly, any money or
15 property for the purpose of enabling any person to pay for or
16 hold shares of its stock, unless the loan is made upon security
17 having an ascertained or market value of at least fifteen percent
18 more than the amount of the loan. Any bank or trust company
19 violating the provision of this subdivision shall forfeit to the
20 state the amount of the loan;

21 (5) No salaried officer of any bank or trust company shall
22 use or borrow for himself or herself, directly or indirectly, any
23 money or other property belonging to any bank or trust company of
24 which the person is an officer, in excess of ten percent of the

unimpaired capital of the bank or trust company, nor shall the total amount loaned to all salaried officers of any bank or trust company exceed twenty-five percent of the unimpaired capital of the bank or trust company. Where loans and a line of credit are made to salaried officers, the loans and line of credit shall first be approved by a majority of the board of directors or of the executive or discount committee, the approval to be in writing and the officer to whom the loans are made, not voting. The form of the approval shall be as follows:

We, the undersigned, constituting a majority of the of the (bank or trust company), do hereby approve a loan of \$..... or a line of credit of \$....., or both, to, it appearing that the loan or line of credit, or both, is not more than 10 percent of the unimpaired capital of (bank or trust company); it further appearing that the loan (money actually advanced) will not make the aggregate of loans to salaried officers more than 25 percent of the unimpaired capital of the bank or trust company.

.....
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.....
.....

1 Dated this day of, 20.....

2 Provided, if the officer owns or controls a majority of the stock
3 of any other corporation, a loan to that corporation shall be
4 considered for the purpose of this subdivision as a loan to the
5 officer. Every bank or trust company or officer thereof
6 knowingly violating the provisions of this subdivision shall, for
7 each offense, forfeit to the state the amount lent;

8 (6) Invest or keep invested in the stock of any private
9 corporation, provided however, a bank or trust company may invest
10 in equity stock in the Federal Home Loan Bank up to twice the
11 limit described in subdivision (1) of this subsection and except
12 as otherwise provided in this chapter.

13 3. Provided, that the provisions in this section shall not
14 be so construed as in any way to interfere with the rules and
15 regulations of any clearinghouse association in this state in
16 reference to the daily balances; and provided, that this section
17 shall not apply to balances due from any correspondent subject to
18 draft.

19 4. Provided, that a trust company which does not accept
20 demand deposits shall be permitted to make loans secured by a
21 first mortgage or deed of trust on real estate to any individual,
22 partnership, corporation or limited liability company, and to
23 deal and invest in the interest-bearing obligations of any state,
24 or any city, county, town, village, or political subdivision

1 thereof, in an amount not to exceed its unimpaired capital, the
2 loans on real estate not to exceed sixty-six and two-thirds
3 percent of the appraised value of the real estate.

4 5. Any officer, director, agent, clerk, or employee of any
5 bank or trust company who willfully and knowingly makes or
6 concurs in making any loan, either directly or indirectly, to any
7 individual, partnership, corporation or limited liability company
8 or by means of letters of credit, by acceptance of drafts, or by
9 discount or purchase of notes, bills of exchange or other
10 obligation of any person, partnership, corporation or limited
11 liability company, in excess of the amounts set out in this
12 section, shall be deemed guilty of a class C felony.

13 6. A trust company in existence on October 15, 1967, or a
14 trust company incorporated thereafter which does not accept
15 demand deposits, may invest in but shall not invest or keep
16 invested in the stock of any private corporation an amount in
17 excess of fifteen percent of the capital and surplus fund of the
18 trust company; provided, however, that this limitation shall not
19 apply to the ownership of the capital stock of a safe deposit
20 company as provided in section 362.105; nor to the ownership by a
21 trust company in existence on October 15, 1967, or its
22 stockholders of a part or all of the capital stock of one bank
23 organized under the laws of the United States or of this state,
24 nor to the ownership of a part or all of the capital of one

1 corporation organized under the laws of this state for the
2 principal purpose of receiving savings deposits or issuing
3 debentures or loaning money on real estate or dealing in or
4 guaranteeing the payment of real estate securities, or investing
5 in other securities in which trust companies may invest under
6 this chapter; nor to the continued ownership of stocks lawfully
7 acquired prior to January 1, 1915, and the prohibition for
8 investments in this subsection shall not apply to investments
9 otherwise provided by law other than subdivision (4) of
10 subsection 3 of section 362.105.

11 7. Any bank or trust company to which the provisions of
12 subsection 2 of this section apply may continue to make loans
13 pursuant to the provisions of subsection 2 of this section for up
14 to five years after the appropriate decennial census indicates
15 that the population of the city in which such bank or trust
16 company is located has exceeded the limits provided in subsection
17 2 of this section.

18 362.245. 1. The affairs and business of the corporation
19 shall be managed by a board of directors, consisting of not less
20 than five nor more than thirty-five stockholders who shall be
21 elected annually; except, that trust companies in existence on
22 October 13, 1967, may continue to divide the directors into three
23 classes of equal number, as near as may be, and to elect one
24 class each year for three-year terms. Notwithstanding any

1 provision of this chapter to the contrary, a director who is not
2 a stockholder shall have all the rights, privileges, and duties
3 of a director who is a stockholder.

4 2. Each director shall be a citizen of the United States,
5 and at least a majority of the directors must be residents of
6 this state at the time of their election and during their
7 continuance in office; provided, however, that if a director
8 actually resides within a radius of one hundred miles of the
9 banking house of said bank or trust company, even though his or
10 her residence be in another state adjoining and contiguous to the
11 state of Missouri, he or she shall for the purposes of this
12 section be considered as a resident of this state and in the
13 event such director shall be a nonresident of the state of
14 Missouri he or she shall upon his or her election as a director
15 file with the president of the banking house or such other chief
16 executive office as otherwise permitted by this chapter written
17 consent to service of legal process upon him in his or her
18 capacity as a director by service of the legal process upon the
19 president as though the same were personally served upon the
20 director in Missouri.

21 3. If at a time when not more than a majority of the
22 directors are residents of this state, any director shall cease
23 to be a resident of this state or adjoining state as defined in
24 subsection 2 of this section, he or she shall forthwith cease to

1 be a director of the bank or trust company and his or her office
2 shall be vacant.

3 4. No person shall be a director in any bank or trust
4 company against whom such bank or trust company shall hold a
5 judgment.

6 5. Cumulative voting shall only be permitted at any meeting
7 of the members or stockholders in electing directors when it is
8 provided for in the articles of incorporation or bylaws.

9 362.270. Within thirty days after the date on which the
10 annual meeting of the stockholders is held the directors elected
11 at such meeting shall, after subscribing the oath required in
12 section 362.250, hold a meeting at which they shall elect a chief
13 executive officer which the board may designate as president or
14 another appropriate title, from their own number, one or more
15 vice presidents, and such other officers as are provided for by
16 the bylaws to be elected annually, except as otherwise provided
17 by law.

18 362.275. 1. The board of directors of every bank and trust
19 company organized or doing business pursuant to this chapter
20 shall hold a regular meeting at least once each month, or, upon
21 application to and acceptance by the director of finance, at such
22 other times, not less frequently than once each calendar quarter
23 as the director of finance shall approve, which approval may be
24 rescinded at any time. There shall be submitted to the meeting a

1 list giving the aggregate of loans, discounts, acceptances and
2 advances, including overdrafts, to each individual, partnership,
3 corporation or person whose liability to the bank or trust
4 company has been created, extended, renewed or increased since
5 the cut-off date prior to the regular meeting by more than an
6 amount to be determined by the board of directors, which minimum
7 amount shall not exceed five percent of the bank's legal loan
8 limit, except the minimum amount shall in no case be less than
9 ten thousand dollars, and a second list of the aggregate
10 indebtedness of each borrower whose aggregate indebtedness
11 exceeds five times such minimum amount, except the aggregate
12 indebtedness shall in no case be less than fifty thousand
13 dollars; and a third list showing all paper past due thirty days
14 or more; and a fourth list showing the aggregate of the then
15 existing indebtedness and liability to the bank or trust company
16 of each of the directors, officers, and employees thereof. The
17 information called for in the second, third, and fourth lists
18 shall be submitted as of the date of the regular meeting or as of
19 a reasonable date prior thereto. If there is collateral to the
20 indebtedness, it shall be described as of the date of the lists.
21 No bills payable shall be made, and no bills shall be
22 rediscounted by the bank or trust company except with the consent
23 or ratification of the board of directors; provided, however,
24 that if the bank or trust company is a member of the federal

1 reserve system, rediscounts may be made to it by the officers in
2 accordance with its rules, a list of all rediscounts to be
3 submitted to the next regular meeting of the board. The director
4 of finance may require, by order, that the board of directors of
5 a bank or trust company approve or disapprove every purchase or
6 sale of securities and every discount, loan, acceptance, renewal
7 or other advance including every overdraft over an amount to be
8 specified in the director's order and may also require that the
9 board of directors review, at each monthly meeting, a list of the
10 aggregate indebtedness of each borrower whose aggregate
11 indebtedness exceeds an amount to be specified in the director's
12 order. The minutes of the meeting shall indicate the compliance
13 with the requirements of this section. Furthermore, the debtor's
14 identity on the information required in this subsection, may be
15 masked by code to conceal the actual debtor's identity only for
16 information mailed to or otherwise provided directors who are not
17 physically present at the board meeting. The code used shall be
18 revealed to all directors at the beginning of each board meeting
19 for which this procedure is used.

20 2. For any issue in need of immediate action, the board of
21 directors or the executive committee of the board as defined in
22 section 362.253 may [ratify a poll taken by the bank or trust
23 company's senior officers on any issue in need of immediate
24 action and ultimate board approval, provided:

1 (1) The vote by poll meets or exceeds a majority of the
2 board of directors unless a greater number of votes for board
3 action is required by the bank or trust company's articles of
4 agreement, bylaws or the law;

5 (2) Any director who is a member of the board and has a
6 pecuniary interest in the board's action, recuses himself or
7 herself from the poll, takes no part, and does not vote on the
8 board ratification of such issue; and

9 (3) Such poll is made available by director's name and vote
10 to the board prior to the board's vote on ratification.

11 3. If the board ratifies such poll as provided in
12 subsection 2 of this section, the ratification shall have the
13 same force and effect as the board originally approving such
14 action at a board meeting, as of the date the poll is approved]
15 enter into a unanimous consent agreement as permitted by
16 subsection 2 of section 351.340, RSMo. Such consent may be
17 communicated by facsimile transmission or by other authenticated
18 record, separately by each director, provided each consent is
19 signed by the director and the bank has no indication such
20 signature is not the director's valid consent. When the bank or
21 trust company has received unanimous consent from the board or
22 executive committee, the action voted on shall be considered
23 approved.

24 362.335. 1. The directors may appoint and remove any

1 cashier, secretary or other officer or employee at pleasure.

2 2. The cashier, secretary or any other officer or employee
3 shall not endorse, pledge or hypothecate any notes, bonds or
4 other obligations received by the corporation for money loaned,
5 until such power and authority is given the cashier, secretary or
6 other officer or employee by the board of directors, pursuant to
7 a resolution of the board of directors, a written record of which
8 proceedings shall first have been made; and a certified copy of
9 the resolution, signed by the president and cashier or secretary
10 with the corporate seal annexed, shall be conclusive evidence of
11 the grant of this power; and all acts of endorsing, pledging and
12 hypothecating done by the cashier, secretary or other officer or
13 employee of the bank or trust company without the authority from
14 the board of directors shall be null and void. The board of
15 directors may designate a chief executive officer who is not the
16 president, but who shall perform all the duties of the president
17 required by this section.

18 3. A bank or trust company may appoint such officers as
19 provided for in the articles of agreement, bylaws or as otherwise
20 provided by law, however provided the directors appoint an
21 officer that is also designated as the chief executive officer,
22 the bank or trust company shall not be required to appoint an
23 officer designated as president. When the chief executive
24 officer owns or controls fifty percent or more of the voting

1 stock of the bank or trust company, such chief executive officer
2 shall not be required to be a member of the board of directors,
3 unless the director of the division of finance determines such
4 officer's presence is necessary to prevent unsafe and unsound
5 banking activity.

6 365.100. If the contract so provides, the holder thereof
7 may charge and collect:

8 (1) [A delinquency and collection charge on each
9 installment in default for a period of not less than ten days in
10 an amount not to exceed five percent of each installment or five
11 dollars, whichever is less] A charge for late payment on each
12 installment or minimum payment in default for a period of not
13 less than fifteen days in an amount not to exceed five percent of
14 each installment due or the minimum payment due or twenty-five
15 dollars, whichever is less; except that, a minimum charge of ten
16 dollars may be made, or when the installment is for twenty-five
17 dollars or less, a charge for late payment for a period of not
18 less than fifteen days shall not exceed five dollars, provided,
19 however, that a minimum charge of one dollar may be made;

20 (2) Interest on each delinquent payment at a rate which
21 shall not exceed the highest lawful contract rate. In addition
22 to such charge, the contract may provide for the payment of
23 attorney fees not exceeding fifteen percent of the amount due and
24 payable under the contract where the contract is referred for

1 collection to any attorney not a salaried employee of the holder,
2 plus court costs; and

3 (3) A dishonored or insufficient funds check fee equal to
4 such fee as provided in section 408.653, RSMo, in addition to
5 fees charged by a bank for each check, draft, order or like
6 instrument which is returned unpaid.

7 367.518. 1. Each title loan agreement shall disclose the
8 following:

9 (1) All disclosures required by the federal Truth in
10 Lending Act and regulation Z;

11 (2) That the transaction is a loan secured by the pledge of
12 titled personal property and, in at least ten-point bold type,
13 that nonpayment of the loan may result in loss of the borrower's
14 vehicle or other titled personal property;

15 (3) The name, business address, telephone number and
16 certificate number of the title lender, and the name and
17 residential address of the borrower;

18 (4) The monthly interest rate to be charged;

19 (5) A statement which shall be in at least ten-point bold
20 type, separately acknowledged by the signature of the borrower
21 and reading as follows: You may cancel this loan without any
22 costs by returning the full principal amount to the lender by the
23 close of the lender's next full business day;

24 (6) The location where the titled personal property may be

1 delivered if the loan is not paid and the hours such location is
2 open for receiving such deliveries; and

3 (7) Any additional disclosures deemed necessary by the
4 director or required pursuant to sections 400.9-101 to
5 [400.9-508] 400.9-710, RSMo.

6 2. The division of finance is directed to draft a form to
7 be used in title loan transactions. Use of this form is not
8 mandatory; however, use of such form, properly completed, shall
9 satisfy the disclosure provisions of this section.

10 375.018. 1. Unless denied licensure pursuant to section
11 375.141, persons who have met the requirements of sections
12 375.014, 375.015 and 375.016 shall be issued an insurance
13 producer license for a term of two years. An insurance producer
14 may qualify for a license in one or more of the following lines
15 of authority:

16 (1) Life insurance coverage on human lives including
17 benefits of endowment and annuities, and may include benefits in
18 the event of death or dismemberment by accident and benefits for
19 disability income;

20 (2) Accident and health or sickness insurance coverage for
21 sickness, bodily injury or accidental death and may include
22 benefits for disability income;

23 (3) Property insurance coverage for the direct or
24 consequential loss or damage to property of every kind;

1 (4) Casualty insurance coverage against legal liability,
2 including that for death, injury or disability or damage to real
3 or personal property;

4 (5) Variable life and variable annuity products insurance
5 coverage provided under variable life insurance contracts and
6 variable annuities;

7 (6) Personal lines property and casualty insurance coverage
8 sold to individuals and families for primarily noncommercial
9 purposes;

10 (7) Credit-limited line credit insurance;

11 (8) Any other line of insurance permitted under state laws
12 or regulations.

13 2. Any insurance producer who is certified by the Federal
14 Crop Insurance Corporation on September 28, 1995, to write
15 federal crop insurance shall not be required to have a property
16 license for the purpose of writing federal crop insurance.

17 3. The biennial renewal fee for a producer's license is one
18 hundred dollars for each license. A producer's license shall be
19 renewed biennially on the anniversary date of issuance and
20 continue in effect until refused, revoked or suspended by the
21 director in accordance with section 375.141.

22 4. An individual insurance producer who allows his or her
23 license to expire may, within twelve months from the due date of
24 the renewal fee, reinstate the same license without the necessity

1 of passing a written examination. The insurance producer seeking
2 relicensing pursuant to this subsection shall provide proof that
3 the continuing education requirements have been met and shall pay
4 a penalty of twenty-five dollars per month that the license was
5 expired in addition to the requisite renewal fees that would have
6 been paid had the license been renewed in a timely manner.

7 Nothing in this subsection shall require the director to
8 relicense any insurance producer determined to have violated the
9 provisions of section 375.141.

10 5. A business entity insurance producer that allows the
11 license to expire may, within twelve months of the due date of
12 the renewal, reinstate the license by paying the license fee that
13 would have been paid had the license been renewed in a timely
14 manner plus a penalty of twenty-five dollars per month that the
15 license was expired.

16 6. The license shall contain the name, address,
17 identification number of the insurance producer, the date of
18 issuance, the lines of authority, the expiration date and any
19 other information the director deems necessary.

20 [6.] 7. Insurance producers shall inform the director by
21 any means acceptable to the director of a change of address
22 within thirty days of the change. Failure to timely inform the
23 director of a change in legal name or address may result in a
24 forfeiture not to exceed the sum of ten dollars per month.

1 [7.] 8. In order to assist the director in the performance
2 of his or her duties, the director may contract with
3 nongovernmental entities, including the National Association of
4 Insurance Commissioners or any affiliates or subsidiaries that
5 the organization oversees or through any other method the
6 director deems appropriate, to perform any ministerial functions,
7 including the collection of fees, related to producer licensing
8 that the director may deem appropriate.

9 [8.] 9. Any bank or trust company in the sale or issuance
10 of insurance products or services shall be subject to the
11 insurance laws of this state and rules adopted by the department
12 of insurance.

13 [9.] 10. A licensed insurance producer who is unable to
14 comply with license renewal procedures due to military service or
15 some other extenuating circumstance, such as a long-term medical
16 disability, may request a waiver of those procedures. The
17 producer may also request a waiver of any other fine or sanction
18 imposed for failure to comply with renewal procedures.

19 [375.018. 1. In addition to any other
20 requirement imposed by law or rule, no
21 applicant for an agent's or broker's license
22 shall be qualified therefor unless, within
23 one year immediately preceding the date a
24 written application is made to the director,
25 the applicant has successfully completed a
26 course of study approved by the director
27 requiring the following hours of study, or
28 the equivalent thereof, for the following
29 licenses: Not less than twenty hours for a
30 license limited to fire and allied lines

1 insurance and twenty hours for general
2 casualty insurance, or forty hours combined
3 of fire and allied lines and general casualty
4 insurance; and not less than fifteen hours
5 for a license limited to life insurance and
6 fifteen hours for accident and health
7 insurance. Any agent who is certified by the
8 Federal Crop Insurance Corporation on
9 September 28, 1985, to write federal crop
10 insurance shall not be required to have a
11 fire and allied lines license for the purpose
12 of writing federal crop insurance. The
13 director shall grant authority until revoked
14 to such public and private educational
15 organizations, technical colleges, trade
16 schools, insurance companies or insurance
17 trade organizations, or other approved
18 organizations that provide satisfactory
19 evidence that the courses of study actually
20 taken by the applicant were in substantial
21 compliance with the requirements established
22 by the director. The director shall require
23 the applicant to furnish a certificate of
24 completion of any required courses of study
25 from the authorized educational
26 organizations. Every applicant seeking
27 approval for a course of study by the
28 director under this section shall pay to the
29 director a filing fee of fifty dollars per
30 course, unless it is a not-for-profit agents'
31 group or association which provides no
32 compensation to the course instructor. Such
33 fee shall accompany any application form
34 required by the director for such course
35 approval. Courses shall be approved for a
36 period of no more than one year. Applicants
37 holding courses intended to be offered for a
38 longer period must reapply for approval.
39 Courses approved by the director prior to
40 August 28, 1993, for which continuous
41 certification is sought should be resubmitted
42 for approval sixty days before the
43 anniversary date of the director's previous
44 approval.

45 2. Before any insurance agent's license
46 is issued, there shall be on file in the
47 office of the director the following:

48 (1) A written application made under

1 oath by the prospective licensee in the form
2 prescribed by the director. The application
3 form shall contain answers to the following
4 interrogatories: name, address, date of
5 birth, sex, past employment for the
6 three-year period immediately preceding the
7 date of the application, past experience in
8 insurance, status of accounts with insurance
9 companies and agents, criminal convictions or
10 pleas of nolo contendere for felonies or
11 misdemeanors, or currently pending felony
12 charges or misdemeanor charges excluding
13 minor traffic violations, and if a surety
14 bond has ever been refused or revoked as a
15 result of dishonest acts or practices. In
16 addition, the application form shall contain
17 a statement as to the kinds of insurance
18 business in which the applicant intends to
19 engage; and

20 (2) A fee of twenty-five dollars must
21 accompany each application for an agent's
22 license.

23 3. The director shall, in order to
24 determine the competency of every individual
25 applicant for a license, require the
26 individual applicant to take and pass to the
27 satisfaction of the director a written
28 examination upon the kind or kinds of
29 insurance business specified in his or her
30 application. Such examinations shall be held
31 at such times and places as the director
32 shall from time to time determine. The
33 director may, at his order or discretion,
34 designate an independent testing service to
35 prepare and administer such examination
36 subject to direction and approval by the
37 director, and examination fees charged by
38 such service shall be paid by the applicant.
39 An examination fee represents an
40 administrative expense and is not refundable.

41 4. The examination shall be as
42 prescribed by the director and shall be of
43 sufficient scope so as to reasonably test the
44 applicant's knowledge relative to the kind or
45 kinds of insurance which may be dealt with
46 under the license applied for by the
47 applicant. The applicant shall be notified

1 of the result of the examination within
2 twenty working days of the examination. The
3 applicant may begin to act as an agent for
4 those lines for which the applicant has
5 passed an examination and completed the study
6 requirements required by subsection 1 of this
7 section and a license has been received by
8 the applicant.

9 5. No examination or approved course of
10 study required by subsection 1 of this
11 section shall be required of:

12 (1) An applicant who is a
13 ticket-selling agent or representative of a
14 common carrier or other company who acts as
15 an insurance agent only in reference to the
16 issuance of insurance contracts primarily for
17 covering the risk of travel;

18 (2) An applicant who holds a current
19 license in another state which requires a
20 written examination satisfactory to the
21 director;

22 (3) An applicant for the same kind of
23 license as that which was held in another
24 state within one year next preceding the date
25 of the application and which the applicant
26 secured by passing a written examination and
27 fulfilling comparable study requirements, and
28 provided that the applicant is a legal
29 resident of this state at the time of the
30 application and is otherwise deemed by the
31 director to be fully qualified;

32 (4) An applicant who is an owner of an
33 individually owned business, his employee, or
34 an officer or employee of a partnership or
35 corporation who solicits, negotiates or
36 procures credit life, accident and health or
37 property insurance in connection with a loan
38 or a retail time sale transaction made by the
39 corporation, partnership, or individual
40 business, or in a business in which there is
41 conducted wholly or partly retail installment
42 transactions under chapter 365, RSMo;

43 (5) Any person selling title insurance.

44 6. Every application for a license
45 which may be granted without examination
46 shall be accompanied by a fee of twenty-five
47 dollars.

48 7. Subsection 1 of this section shall

1 not apply to any person licensed as an agent
2 or broker on January 1, 1986, unless the
3 agent or broker applies for a type of license
4 or line of insurance for which the agent or
5 broker is not licensed as of January 1, 1986.

6 8. The biennial renewal fee for an
7 agent's license is twenty-five dollars for
8 each license. An agent's license shall be
9 renewed biennially on the anniversary date of
10 issuance and continue in effect until
11 refused, revoked or suspended by the director
12 in accordance with section 375.141; except
13 that if the biennial renewal fee for the
14 license is not paid within ninety days after
15 the biennial anniversary date or if the agent
16 has not complied with section 375.020 if
17 applicable within ninety days after the
18 biennial anniversary date, the license
19 terminates as of ninety days after the
20 biennial anniversary date.

21 9. Any nonresident agent who has not
22 complied with the provisions of section
23 375.020 may not reapply for an agent license
24 until that agent has taken the continuing
25 education courses required under section
26 375.020.

27 10. An agent whose license terminated
28 for nonpayment of the biennial renewal fee or
29 noncompliance with section 375.020 may apply
30 for a new agent's license because of such
31 nonpayment or noncompliance, except that such
32 agent must comply with all provisions of this
33 section regarding issuance of a new license
34 if such license was terminated for
35 noncompliance with section 375.020, or shall
36 pay a late fee at the rate of twenty-five
37 dollars per month or fraction thereof after
38 the biennial anniversary date if such license
39 was terminated for nonpayment of the renewal
40 fee, except that nothing in this subsection
41 shall require the director to relicense any
42 agent determined to have violated the
43 provisions of subsection 1 of section
44 375.141.]

45 375.065. 1. Notwithstanding any other provision of this

chapter, the director may license credit insurance producers by issuing individual licenses to each credit insurance producer or by issuing an organizational credit entity license to a resident or nonresident applicant who has complied with the requirements of subsections 1 to 7 of this section. An organizational credit entity license authorizes the employees of the licensee who are at least eighteen years of age, acting on behalf of and supervised by the licensee and whose compensation is not primarily paid on a commission basis to act as insurance producers for the following types of insurance:

- (1) Credit life insurance;
- (2) Credit accident and health insurance;
- (3) Credit property insurance;
- (4) Credit [involuntary unemployment] mortgage life insurance;
- (5) Credit mortgage disability insurance;
- (6) Credit involuntary unemployment insurance;
- (7) Any other form of credit or credit-related insurance approved by the director.

2. To obtain an organizational credit entity license, an applicant shall submit to the director the uniform business entity application along with a fee of one hundred dollars. All applications shall include the following information:

- (1) The name of the business entity, the business address

1 or addresses of the business entity and the type of ownership of
2 the business entity. If a business entity is a partnership or
3 unincorporated association, the application shall contain the
4 name and address of every person or corporation having a
5 financial interest in or owning any part of the business entity.
6 If the business entity is a corporation, the application shall
7 contain the names and addresses of all officers and directors of
8 the corporation. If the business entity is a limited liability
9 company, the application shall contain the names and addresses of
10 all members and officers of the limited liability company;

11 (2) A list of all persons employed by the business entity
12 and to whom it pays any salary or commission for the sale,
13 solicitation, negotiation or procurement of any contracts of
14 credit life, credit accident and health, credit involuntary
15 unemployment, credit leave of absence, credit property, credit
16 mortgage life, credit mortgage disability or any other form of
17 credit or credit-related insurance approved by the director. Any
18 changes in the list of employees of the business entity due to
19 hiring or termination or any other reason shall be submitted to
20 the director within ten days of the change.

21 3. All persons included on the list referenced in
22 subdivision (2) of subsection 2 of this section shall be deemed
23 insurance producers pursuant to the provisions of subsection 1 of
24 section 375.014 for the authorized lines of credit insurance, and

1 shall be deemed licensed insurance producers for the purposes of
2 section 375.141, notwithstanding the fact that individual
3 licenses are not issued to those persons included on the business
4 entity application list.

5 4. Upon receipt of a completed application and payment of
6 the requisite fees, the director, if satisfied that an applicant
7 has complied with all license requirements contained in
8 subsections 1 to 7 of this section, shall issue the applicant an
9 organizational credit business entity license which shall remain
10 in effect for one year or until suspended or revoked by the
11 director, or until the organizational credit business entity
12 ceases to operate as a legal entity in this state. Each
13 organizational credit business entity shall renew its license
14 annually, on or before the anniversary date of the original
15 issuance of the license, by:

16 (1) Paying a renewal fee of fifty dollars;

17 (2) Providing the director a list of all employees selling,
18 soliciting, negotiating and procuring credit insurance, and
19 paying a fee of eighteen dollars per each employee.

20 5. Licenses of organizational credit business entities
21 which are not timely renewed shall expire on the anniversary date
22 of the original issuance. An organizational credit business
23 entity that allows the license to expire may, within twelve
24 months of the due date of the renewal, reinstate the license by

1 paying the license fee that would have been paid had the license
2 been renewed in a timely manner plus a penalty of twenty-five
3 dollars per month that the license was expired.

4 6. Notwithstanding any other provision of law to the
5 contrary, subsections 1 to 7 of this section shall not be
6 construed to prohibit an insurance company from paying a
7 commission or providing another form of remuneration to a duly
8 licensed organizational credit business entity.

9 7. The director shall have the power to promulgate such
10 rules and regulations as are necessary to implement the
11 provisions of subsections 1 to 7 of this section. No rule or
12 portion of a rule promulgated pursuant to the authority of
13 subsections 1 to 7 of this section shall become effective unless
14 it has been promulgated pursuant to the provisions of chapter
15 536, RSMo.

16 8. Notwithstanding any other provision of this chapter, the
17 director may license credit insurance agents by issuing
18 individual licenses to such agents or by issuing an
19 organizational credit agency license to a resident or nonresident
20 applicant who has complied with the requirements of subsections 8
21 to 14 of this section. An organizational credit agency license
22 authorizes the licensee's employees who are at least eighteen
23 years of age, acting on behalf of and supervised by the licensee
24 and whose compensation is not primarily paid on a commission

1 basis to act as agents for the following types of insurance:

2 (1) Credit life insurance;

3 (2) Credit accident and health insurance;

4 (3) Credit property insurance;

5 (4) Credit mortgage life insurance;

6 (5) Credit mortgage disability insurance;

7 (6) Credit involuntary unemployment insurance;

8 (7) Any other form of credit or credit-related insurance
9 approved by the director.

10 9. To obtain an organizational credit agency license, an
11 applicant shall submit to the director an application in a form
12 prescribed by the director along with a fee of one hundred
13 dollars. All applications shall include the following
14 information:

15 (1) The name of the agency, the business address or
16 addresses of the agency and the type of ownership of the agency.
17 If an agency is a partnership or unincorporated association, the
18 application shall contain the name and address of every person or
19 corporation having a financial interest in or owning any part of
20 such agency. If an agency is a corporation, the application
21 shall contain the names and addresses of all officers and
22 directors of the corporation. If the agency is a limited
23 liability company, the application shall contain the names and
24 addresses of all members and officers of the limited liability

1 company;

2 (2) A list of all persons employed by the agency and to
3 whom the agency pays any salary or commission for the
4 solicitation or negotiation of any contracts of credit life,
5 credit accident and health, credit involuntary unemployment,
6 credit leave of absence, credit property, credit mortgage life,
7 credit mortgage disability or any other form of credit or
8 credit-related insurance approved by the director.

9 10. An organizational credit agency authorized pursuant to
10 subsections 8 to 14 of this section shall be deemed a licensed
11 agency for the purposes of subsection 1 of section 375.061 and
12 section 375.141. All persons included on the list referenced in
13 subdivision (2) of subsection 9 of this section shall be deemed
14 licensed agents pursuant to the provision of section 375.016 for
15 the authorized lines of credit insurance, and shall be deemed
16 licensed agents for the purposes of section 375.141,
17 notwithstanding the fact that individual licenses are not issued
18 to those persons included on such list.

19 11. Upon receipt of a completed application and payment of
20 the requisite fees, the director, if satisfied that an applicant
21 organizational credit agency has complied with all license
22 requirements contained in subsections 8 to 14 of this section,
23 shall issue the applicant an organizational credit agency license
24 which shall remain in effect for one year or until suspended or

1 revoked by the director, or until the agency ceases to operate as
2 a legal entity in this state. Each organizational credit agency
3 shall renew its license annually, on or before the anniversary
4 date of the original issuance of the license, by:

5 (1) Paying a renewal fee of fifty dollars;

6 (2) Providing the director a list of all employees
7 soliciting, negotiating and procuring credit insurance, and
8 paying a fee of eighteen dollars per each such employee.

9 12. Licenses which are not timely renewed shall expire
10 thirty days after the anniversary date of the original issuance.
11 The director shall assess a penalty of twenty-five dollars per
12 month if a formerly licensed credit agency operates as such
13 without a current license.

14 13. Notwithstanding any other provision of law to the
15 contrary, subsections 8 to 14 of this section shall not be
16 construed to prohibit an insurance company from paying a
17 commission or providing another form of remuneration to a duly
18 licensed organizational credit agency.

19 14. The director shall have the power to promulgate such
20 rules and regulations as are necessary to implement the
21 provisions of subsections 8 to 14 of this section. No rule or
22 portion of a rule promulgated pursuant to the authority of
23 subsections 8 to 14 of this section shall become effective unless
24 it has been promulgated pursuant to the provisions of chapter

1 536, RSMo.

2 15. The provisions of subsections 1 to 7 of this section
3 shall become effective January 1, 2003, and the provisions of
4 subsections 8 to 14 of this section shall terminate December 31,
5 2002.

6 [375.065. 1. Notwithstanding any other
7 provision of this chapter, the director may
8 license credit insurance agents by issuing
9 individual licenses to such agents or by
10 issuing an organizational credit agency
11 license to a resident or nonresident
12 applicant who has complied with the
13 requirements of this section. An
14 organizational credit agency license
15 authorizes the licensee's employees who are
16 at least eighteen years of age, acting on
17 behalf of and supervised by the licensee and
18 whose compensation is not primarily paid on a
19 commission basis to act as agents for the
20 following types of insurance:

21 (1) Credit life insurance;
22 (2) Credit accident and health
23 insurance;
24 (3) Credit property insurance;
25 (4) Credit involuntary unemployment
26 insurance;
27 (5) Any other form of credit or
28 credit-related insurance approved by the
29 director.

30 2. To obtain an organizational credit
31 agency license, an applicant shall submit to
32 the director an application in a form
33 prescribed by the director along with a fee
34 of one hundred dollars. All applications
35 shall include the following information:

36 (1) The name of the agency, the
37 business address or addresses of the agency
38 and the type of ownership of the agency. If
39 an agency is a partnership or unincorporated
40 association, the application shall contain
41 the name and address of every person or
42 corporation having a financial interest in or
43 owning any part of such agency. If an agency

1 is a corporation, the application shall
2 contain the names and addresses of all
3 officers and directors of the corporation.
4 If the agency is a limited liability company,
5 the application shall contain the names and
6 addresses of all members and officers of the
7 limited liability company;
8 (2) A list of all persons employed by
9 the agency and to whom the agency pays any
10 salary or commission for the solicitation or
11 negotiation of any contracts of credit life,
12 credit accident and health, credit
13 involuntary unemployment, credit leave of
14 absence, credit property or any other form of
15 credit or credit-related insurance approved
16 by the director.
17 3. An organizational credit agency
18 authorized pursuant to this section shall be
19 deemed a licensed agency for the purposes of
20 subsection 1 of section 375.061 and section
21 375.141. All persons included on the list
22 referenced in subdivision (2) of subsection 2
23 of this section shall be deemed licensed
24 agents pursuant to the provision of section
25 375.016 for the authorized lines of credit
26 insurance, and shall be deemed licensed
27 agents for the purposes of section 375.141,
28 notwithstanding the fact that individual
29 licenses are not issued to those persons
30 included on such list.
31 4. Upon receipt of a completed
32 application and payment of the requisite
33 fees, the director, if satisfied that an
34 applicant organizational credit agency has
35 complied with all license requirements
36 contained in this section, shall issue the
37 applicant an organizational credit agency
38 license which shall remain in effect for one
39 year or until suspended or revoked by the
40 director, or until the agency ceases to
41 operate as a legal entity in this state.
42 Each organizational credit agency shall renew
43 its license annually, on or before the
44 anniversary date of the original issuance of
45 the license, by:
46 (1) Paying a renewal fee of fifty
47 dollars;
48 (2) Providing the director a list of

1 all employees soliciting, negotiating and
2 procuring credit insurance, and paying a fee
3 of eighteen dollars per each such employee.

4 5. Licenses which are not timely
5 renewed shall expire thirty days after the
6 anniversary date of the original issuance.
7 The director shall assess a penalty of
8 twenty-five dollars per month if a formerly
9 licensed credit agency operates as such
10 without a current license.

11 6. Notwithstanding any other provision
12 of law to the contrary, this section shall
13 not be construed to prohibit an insurance
14 company from paying a commission or providing
15 another form of remuneration to a duly
16 licensed organizational credit agency.

17 7. The director shall have the power to
18 promulgate such rules and regulations as are
19 necessary to implement the provisions of this
20 section. No rule or portion of a rule
21 promulgated pursuant to the authority of this
22 section shall become effective unless it has
23 been promulgated pursuant to the provisions
24 of chapter 536, RSMo.]

25 375.919. 1. An insurer, as defined in section 375.001, may
26 provide an insurance policy, endorsement, rider and any
27 explanatory material in a language other than English. In the
28 event of a dispute regarding the insurance or advertising
29 material, the English language version shall dictate the
30 resolution. If a policy, endorsement or rider is provided in a
31 language other than English, the insurer shall also, at the same
32 time, provide to the policyholder a copy of such policy,
33 endorsement or rider in English, and shall disclose on such
34 document, in both English and the other language, the following:

35 (1) The translation is for informational purposes only; and

36 (2) The English language version of the policy will be

1 controlling unless the language in the other language version is
2 shown to be a fraudulent misrepresentation.

3 2. Notwithstanding any other provision of law to the
4 contrary, no rule promulgated by the department setting forth
5 criteria for payment of fees by or integration of systems of an
6 insurer and an entity administering claims involving injured
7 employees shall apply to such parties, unless a contractual
8 relationship between such parties to administer claims on behalf
9 of one or more employers is established and the provisions of the
10 rule are not contrary to specific terms in the contract.

11 3. Any knowing misrepresentation in providing a policy,
12 endorsement, rider or explanatory materials in a language other
13 than English is a violation of sections 375.930 to 375.948.

14 400.9-102. (a) In this article:

15 (1) "Accession" means goods that are physically united with
16 other goods in such a manner that the identity of the original
17 goods is not lost;

18 (2) "Account", except as used in "account for", means a
19 right to payment of a monetary obligation, whether or not earned
20 by performance, (i) for property that has been or is to be sold,
21 leased, licensed, assigned, or otherwise disposed of, (ii) for
22 services rendered or to be rendered, (iii) for a policy of
23 insurance issued or to be issued, (iv) for a secondary obligation
24 incurred or to be incurred, (v) for energy provided or to be

1 provided, (vi) for the use or hire of a vessel under a charter or
2 other contract, (vii) arising out of the use of a credit or
3 charge card or information contained on or for use with the card,
4 or (viii) as winnings in a lottery or other game of chance
5 operated or sponsored by a state, governmental unit of a state,
6 or person licensed or authorized to operate the game by a state
7 or governmental unit of a state. The term includes
8 health-care-insurance receivables. The term does not include (i)
9 rights to payment evidenced by chattel paper or an instrument,
10 (ii) commercial tort claims, (iii) deposit accounts, (iv)
11 investment property, (v) letter-of-credit rights or letters of
12 credit, or (vi) rights to payment for money or funds advanced or
13 sold, other than rights arising out of the use of a credit or
14 charge card or information contained on or for use with the card;

15 (3) "Account debtor" means a person obligated on an
16 account, chattel paper, or general intangible. The term does not
17 include persons obligated to pay a negotiable instrument, even if
18 the instrument constitutes part of chattel paper;

19 (4) "Accounting", except as used in "accounting for", means
20 a record:

21 (A) Authenticated by a secured party;

22 (B) Indicating the aggregate unpaid secured obligations as
23 of a date not more than thirty-five days earlier or thirty-five
24 days later than the date of the record; and

1 (C) Identifying the components of the obligations in
2 reasonable detail;

3 (5) "Agricultural lien" means an interest, other than a
4 security interest, in farm products:

5 (A) Which secures payment or performance of an obligation
6 for:

7 (i) Goods or services furnished in connection with a
8 debtor's farming operation; or

9 (ii) Rent on real property leased by a debtor in connection
10 with its farming operation;

11 (B) Which is created by statute in favor of a person that:

12 (i) In the ordinary course of its business furnished goods
13 or services to a debtor in connection with a debtor's farming
14 operation; or

15 (ii) Leased real property to a debtor in connection with
16 the debtor's farming operation; and

17 (C) Whose effectiveness does not depend on the person's
18 possession of the personal property;

19 (6) "As-extracted collateral" means:

20 (A) Oil, gas, or other minerals that are subject to a
21 security interest that:

22 (i) Is created by a debtor having an interest in the
23 minerals before extraction; and

24 (ii) Attaches to the minerals as extracted; or

1 (B) Accounts arising out of the sale at the wellhead or
2 minehead of oil, gas, or other minerals in which the debtor had
3 an interest before extraction;

4 (7) "Authenticate" means:

5 (A) To sign; or

6 (B) To execute or otherwise adopt a symbol, or encrypt or
7 similarly process a record in whole or in part, with the present
8 intent of the authenticating person to identify the person and
9 adopt or accept a record;

10 (8) "Bank" means an organization that is engaged in the
11 business of banking. The term includes savings banks, savings
12 and loan associations, credit unions, and trust companies;

13 (9) "Cash proceeds" means proceeds that are money, checks,
14 deposit accounts, or the like;

15 (10) "Certificate of title" means a certificate of title
16 with respect to which a statute provides for the security
17 interest in question to be indicated on the certificate as a
18 condition or result of the security interest's obtaining priority
19 over the rights of a lien creditor with respect to the
20 collateral;

21 (11) "Chattel paper" means a record or records that
22 evidence both a monetary obligation and a security interest in
23 specific goods, a security interest in specific goods and
24 software used in the goods, a security interest in specific goods

1 and license of software used in the goods, a lease of specific
2 goods, or a lease of specific goods and license of software used
3 in the goods. In this paragraph, "monetary obligation" means a
4 monetary obligation secured by the goods or owed under a lease of
5 the goods and includes a monetary obligation with respect to
6 software used in the goods. The term does not include (i)
7 charters or other contracts involving the use or hire of a vessel
8 or (ii) records that evidence a right to payment arising out of
9 the use of a credit or charge card or information contained on or
10 for use with the card. If a transaction is evidenced [both by a
11 security agreement or lease and] by records that include an
12 instrument or series of instruments, the group of records taken
13 together constitutes chattel paper;

14 (12) "Collateral" means the property subject to a security
15 interest or agricultural lien. The term includes:

16 (A) Proceeds to which a security interest attaches;

17 (B) Accounts, chattel paper, payment intangibles, and
18 promissory notes that have been sold; and

19 (C) Goods that are the subject of a consignment;

20 (13) "Commercial tort claim" means a claim arising in tort
21 with respect to which:

22 (A) The claimant is an organization; or

23 (B) The claimant is an individual and the claim:

24 (i) Arose in the course of the claimant's business or

1 profession; and

2 (ii) Does not include damages arising out of personal
3 injury to or the death of an individual;

4 (14) "Commodity account" means an account maintained by a
5 commodity intermediary in which a commodity contract is carried
6 for a commodity customer;

7 (15) "Commodity contract" means a commodity futures
8 contract, an option on a commodity futures contract, a commodity
9 option, or another contract if the contract or option is:

10 (A) Traded on or subject to the rules of a board of trade
11 that has been designated as a contract market for such a contract
12 pursuant to federal commodities laws; or

13 (B) Traded on a foreign commodity board of trade, exchange,
14 or market, and is carried on the books of a commodity
15 intermediary for a commodity customer;

16 (16) "Commodity customer" means a person for which a
17 commodity intermediary carries a commodity contract on its books;

18 (17) "Commodity intermediary" means a person that:

19 (A) Is registered as a futures commission merchant under
20 federal commodities law; or

21 (B) In the ordinary course of its business provides
22 clearance or settlement services for a board of trade that has
23 been designated as a contract market pursuant to federal
24 commodities law;

1 (18) "Communicate" means:

2 (A) To send a written or other tangible record;

3 (B) To transmit a record by any means agreed upon by the
4 persons sending and receiving the record; or

5 (C) In the case of transmission of a record to or by a
6 filing office, to transmit a record by any means prescribed by
7 filing-office rule;

8 (19) "Consignee" means a merchant to which goods are
9 delivered in a consignment;

10 (20) "Consignment" means a transaction, regardless of its
11 form, in which a person delivers goods to a merchant for the
12 purpose of sale and:

13 (A) The merchant:

14 (i) Deals in goods of that kind under a name other than the
15 name of the person making delivery;

16 (ii) Is not an auctioneer; and

17 (iii) Is not generally known by its creditors to be
18 substantially engaged in selling the goods of others;

19 (B) With respect to each delivery, the aggregate value of
20 the goods is one thousand dollars or more at the time of
21 delivery;

22 (C) The goods are not consumer goods immediately before
23 delivery; and

24 (D) The transaction does not create a security interest

1 that secures an obligation;

2 (21) "Consignor" means a person that delivers goods to a
3 consignee in a consignment;

4 (22) "Consumer debtor" means a debtor in a consumer
5 transaction;

6 (23) "Consumer goods" means goods that are used or bought
7 for use primarily for personal, family, or household purposes;

8 (24) "Consumer-goods transaction" means a consumer
9 transaction in which:

10 (A) An individual incurs an obligation primarily for
11 personal, family, or household purposes; and

12 (B) A security interest in consumer goods secures the
13 obligation;

14 (25) "Consumer obligor" means an obligor who is an
15 individual and who incurred the obligation as part of a
16 transaction entered into primarily for personal, family, or
17 household purposes;

18 (26) "Consumer transaction" means a transaction in which
19 (i) an individual incurs an obligation primarily for personal,
20 family, or household purposes, (ii) a security interest secures
21 the obligation, and (iii) the collateral is held or acquired
22 primarily for personal, family, or household purposes. The term
23 includes consumer-goods transactions;

24 (27) "Continuation statement" means an amendment of a

1 financing statement which:

2 (A) Identifies, by its file number, the initial financing
3 statement to which it relates; and

4 (B) Indicates that it is a continuation statement for, or
5 that it is filed to continue the effectiveness of, the identified
6 financing statement;

7 (28) "Debtor" means:

8 (A) A person having an interest, other than a security
9 interest or other lien, in the collateral, whether or not the
10 person is an obligor;

11 (B) A seller of accounts, chattel paper, payment
12 intangibles, or promissory notes; or

13 (C) A consignee;

14 (29) "Deposit account" means a demand, time, savings,
15 passbook, or similar account maintained with a bank. The term
16 does not include investment property or accounts evidenced by an
17 instrument;

18 (30) "Document" means a document of title or a receipt of
19 the type described in section 400.7-201(2);

20 (31) "Electronic chattel paper" means chattel paper
21 evidenced by a record or records consisting of information stored
22 in an electronic medium;

23 (32) "Encumbrance" means a right, other than an ownership
24 interest, in real property. The term includes mortgages and

1 other liens on real property;

2 (33) "Equipment" means goods other than inventory, farm
3 products, or consumer goods;

4 (34) "Farm products" means goods, other than standing
5 timber, with respect to which the debtor is engaged in a farming
6 operation and which are:

7 (A) Crops grown, growing, or to be grown, including:

8 (i) Crops produced on trees, vines, and bushes; and

9 (ii) Aquatic goods produced in aquacultural operations;

10 (B) Livestock, born or unborn, including aquatic goods
11 produced in aquacultural operations;

12 (C) Supplies used or produced in a farming operation; or

13 (D) Products of crops or livestock in their unmanufactured
14 states;

15 (35) "Farming operation" means raising, cultivating,
16 propagating, fattening, grazing, or any other farming, livestock,
17 or aquacultural operation;

18 (36) "File number" means the number assigned to an initial
19 financing statement pursuant to section 400.9-519(a);

20 (37) "Filing office" means an office designated in section
21 400.9-501 as the place to file a financing statement;

22 (38) "Filing-office rule" means a rule adopted pursuant to
23 section 400.9-526;

24 (39) "Financing statement" means a record or records

1 composed of an initial financing statement and any filed record
2 relating to the initial financing statement;

3 (40) "Fixture filing" means the filing of a financing
4 statement covering goods that are or are to become fixtures and
5 satisfying section 400.9-502(a) and (b). The term includes the
6 filing of a financing statement covering goods of a transmitting
7 utility which are or are to become fixtures;

8 (41) "Fixtures" means goods that have become so related to
9 particular real property that an interest in them arises under
10 real property law;

11 (42) "General intangible" means any personal property,
12 including things in action, other than accounts, chattel paper,
13 commercial tort claims, deposit accounts, documents, goods,
14 instruments, investment property, letter-of-credit rights,
15 letters of credit, money, and oil, gas, or other minerals before
16 extraction. The term includes payment intangibles and software;

17 (43) "Good faith" means honesty in fact;

18 (44) "Goods" means all things that are movable when a
19 security interest attaches. The term includes (i) fixtures, (ii)
20 standing timber that is to be cut and removed under a conveyance
21 or contract for sale, (iii) the unborn young of animals, (iv)
22 crops grown, growing, or to be grown, even if the crops are
23 produced on trees, vines, or bushes, and (v) manufactured homes.
24 The term also includes a computer program embedded in goods and

1 any supporting information provided in connection with a
2 transaction relating to the program if (i) the program is
3 associated with the goods in such a manner that it customarily is
4 considered part of the goods, or (ii) by becoming the owner of
5 the goods, a person acquires a right to use the program in
6 connection with the goods. The term does not include a computer
7 program embedded in goods that consist solely of the medium in
8 which the program is embedded. The term also does not include
9 accounts, chattel paper, commercial tort claims, deposit
10 accounts, documents, general intangibles, instruments, investment
11 property, letter-of-credit rights, letters of credit, money, or
12 oil, gas, or other minerals before extraction;

13 (45) "Governmental unit" means a subdivision, agency,
14 department, county, parish, municipality, or other unit of the
15 government of the United States, a state, or a foreign country.
16 The term includes an organization having a separate corporate
17 existence if the organization is eligible to issue debt on which
18 interest is exempt from income taxation under the laws of the
19 United States;

20 (46) "Health-care-insurance receivable" means an interest
21 in or claim under a policy of insurance which is a right to
22 payment of a monetary obligation for health-care goods or
23 services provided;

24 (47) "Instrument" means a negotiable instrument or any

1 other writing that evidences a right to the payment of a monetary
2 obligation, is not itself a security agreement or lease, and is
3 of a type that in ordinary course of business is transferred by
4 delivery with any necessary indorsement or assignment. The term
5 does not include (i) investment property, (ii) letters of credit,
6 or (iii) writings that evidence a right to payment arising out of
7 the use of a credit or charge card or information contained on or
8 for use with the card;

9 (48) "Inventory" means goods, other than farm products,
10 which:

11 (A) Are leased by a person as lessor;

12 (B) Are held by a person for sale or lease or to be
13 furnished under a contract of service;

14 (C) Are furnished by a person under a contract of service;

15 or

16 (D) Consist of raw materials, work in process, or materials
17 used or consumed in a business;

18 (49) "Investment property" means a security, whether
19 certificated or uncertificated, security entitlement, securities
20 account, commodity contract, or commodity account;

21 (50) "Jurisdiction of organization", with respect to a
22 registered organization, means the jurisdiction under whose law
23 the organization is organized;

24 (51) "Letter-of-credit right" means a right to payment or

1 performance under a letter of credit, whether or not the
2 beneficiary has demanded or is at the time entitled to demand
3 payment or performance. The term does not include the right of a
4 beneficiary to demand payment or performance under a letter of
5 credit;

6 (52) "Lien creditor" means:

7 (A) A creditor that has acquired a lien on the property
8 involved by attachment, levy, or the like;

9 (B) An assignee for benefit of creditors from the time of
10 assignment;

11 (C) A trustee in bankruptcy from the date of the filing of
12 the petition; or

13 (D) A receiver in equity from the time of appointment;

14 (53) "Manufactured home" means a structure, transportable
15 in one or more sections, which, in the traveling mode, is eight
16 body feet or more in width or forty body feet or more in length,
17 or, when erected on site, is three hundred twenty or more square
18 feet, and which is built on a permanent chassis and designed to
19 be used as a dwelling with or without a permanent foundation when
20 connected to the required utilities, and includes the plumbing,
21 heating, air-conditioning, and electrical systems contained
22 therein. The term includes any structure that meets all of the
23 requirements of this paragraph except the size requirements and
24 with respect to which the manufacturer voluntarily files a

1 certification required by the United States Secretary of Housing
2 and Urban Development and complies with the standards established
3 under Title 42 of the United States Code;

4 (54) "Manufactured-home transaction" means a secured
5 transaction:

6 (A) That creates a purchase-money security interest in a
7 manufactured home, other than a manufactured home held as
8 inventory; or

9 (B) In which a manufactured home, other than a manufactured
10 home held as inventory, is the primary collateral;

11 (55) "Mortgage" means a consensual interest in real
12 property, including fixtures, which secures payment or
13 performance of an obligation;

14 (56) "New debtor" means a person that becomes bound as
15 debtor under section 400.9-203(d) by a security agreement
16 previously entered into by another person;

17 (57) "New value" means (i) money, (ii) money's worth in
18 property, services, or new credit, or (iii) release by a
19 transferee of an interest in property previously transferred to
20 the transferee. The term does not include an obligation
21 substituted for another obligation;

22 (58) "Noncash proceeds" means proceeds other than cash
23 proceeds;

24 (59) ["Notice" means a properly filed financing statement;

1 (60)] "Obligor" means a person that, with respect to an
2 obligation secured by a security interest in or an agricultural
3 lien on the collateral, (i) owes payment or other performance of
4 the obligation, (ii) has provided property other than the
5 collateral to secure payment or other performance of the
6 obligation, or (iii) is otherwise accountable in whole or in part
7 for payment or other performance of the obligation. The term
8 does not include issuers or nominated persons under a letter of
9 credit;

10 [(61)] (60) "Original debtor", except as used in section
11 400.9-310(c), means a person that, as debtor, entered into a
12 security agreement to which a new debtor has become bound under
13 section 400.9-203(d);

14 [(62)] (61) "Payment intangible" means a general
15 intangible under which the account debtor's principal obligation
16 is a monetary obligation;

17 [(63)] (62) "Person related to", with respect to an
18 individual, means:

19 (A) The spouse of the individual;

20 (B) A brother, brother-in-law, sister, or sister-in-law of
21 the individual;

22 (C) An ancestor or lineal descendant of the individual or
23 the individual's spouse; or

24 (D) Any other relative, by blood or marriage, of the

1 individual or the individual's spouse who shares the same home
2 with the individual;

3 [(64)] (63) "Person related to", with respect to an
4 organization, means:

5 (A) A person directly or indirectly controlling, controlled
6 by, or under common control with the organization;

7 (B) An officer or director of, or a person performing
8 similar functions with respect to, the organization;

9 (C) An officer or director of, or a person performing
10 similar functions with respect to, a person described in
11 subparagraph (A);

12 (D) The spouse of an individual described in subparagraph
13 (A), (B), or (C); or

14 (E) An individual who is related by blood or marriage to an
15 individual described in subparagraph (A), (B), (C), or (D) and
16 shares the same home with the individual;

17 [(65)] (64) "Proceeds", except as used in section 400.9-
18 609(b), means the following property:

19 (A) Whatever is acquired upon the sale, lease, license,
20 exchange, or other disposition of collateral;

21 (B) Whatever is collected on, or distributed on account of,
22 collateral;

23 (C) Rights arising out of collateral;

24 (D) To the extent of the value of collateral, claims

1 arising out of the loss, nonconformity, or interference with the
2 use of, defects or infringement of rights in, or damage to, the
3 collateral; or

4 (E) To the extent of the value of collateral and to the
5 extent payable to the debtor or the secured party, insurance
6 payable by reason of the loss or nonconformity of, defects or
7 infringement of rights in, or damage to, the collateral;

8 [(66)] (65) "Promissory note" means an instrument that
9 evidences a promise to pay a monetary obligation, does not
10 evidence an order to pay, and does not contain an acknowledgment
11 by a bank that the bank has received for deposit a sum of money
12 or funds;

13 [(67)] (66) "Proposal" means a record authenticated by a
14 secured party which includes the terms on which the secured party
15 is willing to accept collateral in full or partial satisfaction
16 of the obligation it secures pursuant to sections 400.9-620,
17 400.9-621 and 400.9-622;

18 [(68)] (67) "Pursuant to commitment", with respect to an
19 advance made or other value given by a secured party, means
20 pursuant to the secured party's obligation, whether or not a
21 subsequent event of default or other event not within the secured
22 party's control has relieved or may relieve the secured party
23 from its obligation;

24 [(69)] (68) "Record", except as used in "for record", "of

1 record", "record or legal title", and "record owner", means
2 information that is inscribed on a tangible medium or which is
3 stored in an electronic or other medium and is retrievable in
4 perceivable form;

5 [(70)] (69) "Registered organization" means an
6 organization organized solely under the law of a single state or
7 the United States and as to which the state or the United States
8 must maintain a public record showing the organization to have
9 been organized;

10 [(71)] (70) "Secondary obligor" means an obligor to the
11 extent that:

12 (A) The obligor's obligation is secondary; or

13 (B) The obligor has a right of recourse with respect to an
14 obligation secured by collateral against the debtor, another
15 obligor, or property of either;

16 [(72)] (71) "Secured party" means:

17 (A) A person in whose favor a security interest is created
18 or provided for under a security agreement, whether or not any
19 obligation to be secured is outstanding;

20 (B) A person that holds an agricultural lien;

21 (C) A consignor;

22 (D) A person to which accounts, chattel paper, payment
23 intangibles, or promissory notes have been sold;

24 (E) A trustee, indenture trustee, agent, collateral agent,

1 or other representative in whose favor a security interest or
2 agricultural lien is created or provided for; or

3 (F) A person that holds a security interest arising under
4 sections 400.2-401, 400.2-505, 400.2-711(3), 400.2A-508(5),
5 400.4-210 or 400.5-118;

6 [(73)] (72) "Security agreement" means an agreement that
7 creates or provides for a security interest;

8 [(74)] (73) "Send", in connection with a record or
9 notification, means:

10 (A) To deposit in the mail, deliver for transmission, or
11 transmit by any other usual means of communication, with postage
12 or cost of transmission provided for, addressed to any address
13 reasonable under the circumstances; or

14 (B) To cause the record or notification to be received
15 within the time that it would have been received if properly sent
16 under subparagraph (A);

17 [(75)] (74) "Software" means a computer program and any
18 supporting information provided in connection with a transaction
19 relating to the program. The term does not include a computer
20 program that is included in the definition of goods;

21 [(76)] (75) "State" means a state of the United States,
22 the District of Columbia, Puerto Rico, the United States Virgin
23 Islands, or any territory or insular possession subject to the
24 jurisdiction of the United States;

1 [(77)] (76) "Supporting obligation" means a
2 letter-of-credit right or secondary obligation that supports the
3 payment or performance of an account, chattel paper, a document,
4 a general intangible, an instrument, or investment property;

5 [(78)] (77) "Tangible chattel paper" means chattel paper
6 evidenced by a record or records consisting of information that
7 is inscribed on a tangible medium;

8 [(79)] (78) "Termination statement" means an amendment of
9 a financing statement which:

10 (A) Identifies, by its file number, the initial financing
11 statement to which it relates; and

12 (B) Indicates either that it is a termination statement or
13 that the identified financing statement is no longer effective;

14 [(80)] (79) "Transmitting utility" means a person
15 primarily engaged in the business of:

16 (A) Operating a railroad, subway, street railway, or
17 trolley bus;

18 (B) Transmitting communications electrically,
19 electromagnetically, or by light;

20 (C) Transmitting goods by pipeline or sewer; or

21 (D) Transmitting or producing and transmitting electricity,
22 steam, gas, or water.

23 (b) The following definitions in other articles apply to
24 this article:

| | | |
|----|---------------------------------------|---------------------|
| 1 | "Applicant" | Section 400.5-102. |
| 2 | "Beneficiary" | Section 400.5-102. |
| 3 | "Broker" | Section 400.8-102. |
| 4 | "Certificated security" | Section 400.8-102. |
| 5 | "Check" | Section 400.3-104. |
| 6 | "Clearing corporation" | Section 400.8-102. |
| 7 | "Contract for sale" | Section 400.2-106. |
| 8 | "Customer" | Section 400.4-104. |
| 9 | "Entitlement holder" | Section 400.8-102. |
| 10 | "Financial asset" | Section 400.8-102. |
| 11 | "Holder in due course" | Section 400.3-302. |
| 12 | "Issuer" (with respect to a letter of | |
| 13 | credit or letter-of-credit right) | Section 400.5-102. |
| 14 | "Issuer" (with respect to a security) | Section 400.8-201. |
| 15 | "Lease" | Section 400.2A-103. |
| 16 | "Lease agreement" | Section 400.2A-103. |
| 17 | "Lease contract" | Section 400.2A-103. |
| 18 | "Leasehold interest" | Section 400.2A-103. |
| 19 | "Lessee" | Section 400.2A-103. |
| 20 | "Lessee in ordinary course of | |
| 21 | business" | Section 400.2A-103. |
| 22 | "Lessor" | Section 400.2A-103. |
| 23 | "Lessor's residual interest" | Section 400.2A-103. |
| 24 | "Letter of credit" | Section 400.5-102. |

| | | |
|----|----------------------------------|--------------------|
| 1 | "Merchant" | Section 400.2-104. |
| 2 | "Negotiable instrument" | Section 400.3-104. |
| 3 | "Nominated person" | Section 400.5-102. |
| 4 | "Note" | Section 400.3-104. |
| 5 | "Proceeds of a letter of credit" | Section 400.5-114. |
| 6 | "Prove" | Section 400.3-103. |
| 7 | "Sale" | Section 400.2-106. |
| 8 | "Securities account" | Section 400.8-501. |
| 9 | "Securities intermediary" | Section 400.8-102. |
| 10 | "Security" | Section 400.8-102. |
| 11 | "Security certificate" | Section 400.8-102. |
| 12 | "Security entitlement" | Section 400.8-102. |
| 13 | "Uncertificated security" | Section 400.8-102. |

14 (c) This section contains general definitions and
15 principles of construction and interpretation applicable
16 throughout sections 400.9-103 to 400.9-708.

17 400.9-109. (a) Except as otherwise provided in subsections
18 (c) and (d), this article applies to:

19 (1) A transaction, regardless of its form, that creates a
20 security interest in personal property or fixtures by contract;

21 (2) An agricultural lien;

22 (3) A sale of accounts, chattel paper, payment intangibles,
23 or promissory notes;

24 (4) A consignment;

1 (5) A security interest arising under section 400.2-401,
2 400.2-505, 400.2-711(3) or 400.2A-508(5), as provided in section
3 400.9-110; and

4 (6) A security interest arising under section 400.4-210 or
5 400.5-118.

6 (b) The application of this article to a security interest
7 in a secured obligation is not affected by the fact that the
8 obligation is itself secured by a transaction or interest to
9 which this article does not apply.

10 (c) This article does not apply to the extent that:

11 (1) A statute, regulation, or treaty of the United States
12 preempts this article;

13 (2) Another statute of this state expressly governs the
14 creation, perfection, priority, or enforcement of a security
15 interest created by this state or a governmental unit of this
16 state;

17 [(2)] (3) A statute of another state, a foreign country,
18 or a governmental unit of another state or a foreign country,
19 other than a statute generally applicable to security interests,
20 expressly governs creation, perfection, priority, or enforcement
21 of a security interest created by the state, country, or
22 governmental unit; or

23 [(3)] (4) The rights of a transferee beneficiary or
24 nominated person under a letter of credit are independent and

1 superior under section 400.5-114.

2 (d) This article does not apply to:

3 (1) A landlord's lien, other than an agricultural lien;

4 (2) A lien, other than an agricultural lien, given by
5 statute or other rule of law for services or materials, but
6 section 400.9-333 applies with respect to priority of the lien;

7 (3) An assignment of a claim for wages, salary, or other
8 compensation of an employee;

9 (4) A sale of accounts, chattel paper, payment intangibles,
10 or promissory notes as part of a sale of the business out of
11 which they arose;

12 (5) An assignment of accounts, chattel paper, payment
13 intangibles, or promissory notes which is for the purpose of
14 collection only;

15 (6) An assignment of a right to payment under a contract to
16 an assignee that is also obligated to perform under the contract;

17 (7) An assignment of a single account, payment intangible,
18 or promissory note to an assignee in full or partial satisfaction
19 of a preexisting indebtedness;

20 (8) A transfer of an interest in or an assignment of a
21 claim under a policy of insurance, other than an assignment by or
22 to a health-care provider of a health-care-insurance receivable
23 and any subsequent assignment of the right to payment, but
24 sections 400.9-315 and 400.9-322 apply with respect to proceeds

1 and priorities in proceeds;

2 (9) An assignment of a right represented by a judgment,
3 other than a judgment taken on a right to payment that was
4 collateral;

5 (10) A right of recoupment or set-off, but:

6 (A) Section 400.9-340 applies with respect to the
7 effectiveness of rights of recoupment or set-off against deposit
8 accounts; and

9 (B) Section 400.9-404 applies with respect to defenses or
10 claims of an account debtor;

11 (11) The creation or transfer of an interest in or lien on
12 real property, including a lease or rents thereunder, except to
13 the extent that provision is made for:

14 (A) Liens on real property in sections 400.9-203 and
15 400.9-308;

16 (B) Fixtures in section 400.9-334;

17 (C) Fixture filings in sections 400.9-501, 400.9-502,
18 400.9-512, 400.9-516 and 400.9-519; and

19 (D) Security agreements covering personal and real property
20 in section 400.9-604;

21 (12) An assignment of a claim arising in tort, other than a
22 commercial tort claim, but sections 400.9-315 and 400.9-322 apply
23 with respect to proceeds and priorities in proceeds; or

24 (13) An assignment of a deposit account in a consumer

1 transaction, but sections 400.9-315 and 400.9-322 apply with
2 respect to proceeds and priorities in proceeds; or

3 (14) An assignment of a claim or right to receive
4 compensation for injuries or sickness as described in 26 U.S.C.
5 Section 104(a)(1) or (2), as amended from time to time; or

6 (15) An assignment of a claim or right to receive benefits
7 under a special needs trust as described in 42 U.S.C. Section
8 1396p(d)(4), as amended from time to time; or

9 (16) A transfer by a government or governmental subdivision
10 or agency.

11 400.9-303. (a) This section applies to goods covered by a
12 certificate of title, even if there is no other relationship
13 between the jurisdiction under whose certificate of title the
14 goods are covered and the goods or the debtor.

15 (b) Goods become covered by a certificate of title when a
16 valid application for the certificate of title and the applicable
17 fee are delivered to the appropriate authority. Goods cease to
18 be covered by a certificate of title at the earlier of the time
19 the certificate of title ceases to be effective under the law of
20 the issuing jurisdiction or the time the goods become covered
21 subsequently by a certificate of title issued by another
22 jurisdiction.

23 (c) The local law of the jurisdiction under whose
24 certificate of title the goods are covered governs perfection,

1 the effect of perfection or nonperfection, and the priority of a
2 security interest in goods covered by a certificate of title from
3 the time the goods become covered by the certificate of title
4 until the goods cease to be covered by the certificate of title.

5 (d) When a notice of lien is filed in accordance with
6 chapter 301 or 306, RSMo, then the lien is perfected and this
7 chapter shall not govern perfection or nonperfection or the
8 priority of the lien even though a valid application for a
9 certificate of title and the applicable fee was not delivered to
10 the appropriate authority or the certificate of title was not
11 issued by such authority.

12 (e) Article 9 of this chapter shall not apply to liens on
13 manufactured homes perfected in accordance with sections 700.350
14 to 700.390, RSMo, and the perfection or nonperfection, the
15 priority and termination of the lien shall be governed by those
16 sections, except liens or encumbrances on manufactured homes
17 perfected pursuant to article 9 of this chapter, after June 30,
18 2001, and before August 28, 2002, and the perfection or
19 nonperfection, the priority, termination, rights, duties, and
20 interests flowing from them are and shall remain valid and may be
21 terminated, completed, consummated, or enforced as required or
22 permitted by article 9 of this chapter, provided such liens on
23 such manufactured homes are not perfected in accordance with
24 sections 700.350 to 700.390, RSMo, however when conflicting

1 lienholders file liens on the same manufactured home, the lien
2 filed under sections 700.350 to 700.390, RSMo, shall have
3 priority over the lien filed under article 9 of this chapter, for
4 the time period after June 30, 2001, and before August 28, 2002.

5 400.9-317. (a) [An unperfected] A security interest or
6 agricultural lien is subordinate to the rights of:

7 (1) A person entitled to priority under section 400.9-322;
8 and

9 (2) Except as otherwise provided in subsection (e), a
10 person that becomes a lien creditor before the earlier of the
11 time:

12 (A) The security interest or agricultural lien is
13 perfected; or

14 (B) One of the conditions specified in section 400.9-
15 203(b)(3) is met and a financing statement covering the
16 collateral is filed.

17 (b) Except as otherwise provided in subsection (e), a
18 buyer, other than a secured party, of tangible chattel paper,
19 documents, goods, instruments, or a security certificate takes
20 free of a security interest or agricultural lien if the buyer
21 gives value and receives delivery of the collateral without
22 knowledge of the security interest or agricultural lien and
23 before it is perfected.

24 (c) Except as otherwise provided in subsection (e), a

1 lessee of goods takes free of a security interest or agricultural
2 lien if the lessee gives value and receives delivery of the
3 collateral without knowledge of the security interest or
4 agricultural lien and before it is perfected.

5 (d) A licensee of a general intangible or a buyer, other
6 than a secured party, of accounts, electronic chattel paper,
7 general intangibles, or investment property other than a
8 certificated security takes free of a security interest if the
9 licensee or buyer gives value without knowledge of the security
10 interest and before it is perfected.

11 (e) Except as otherwise provided in sections 400.9-320 and
12 400.9-321, if a person files a financing statement with respect
13 to a purchase-money security interest before or within twenty
14 days after the debtor receives delivery of the collateral, the
15 security interest takes priority over the rights of a buyer,
16 lessee, or lien creditor which arise between the time the
17 security interest attaches and the time of filing.

18 400.9-323. (a) Except as otherwise provided in subsection
19 (c), for purposes of determining the priority of a perfected
20 security interest under section 400.9-322(a)(1), perfection of
21 the security interest dates from the time an advance is made to
22 the extent that the security interest secures an advance that:

23 (1) Is made while the security interest is perfected only:

24 (A) Under section 400.9-309 when it attaches; or

1 (B) Temporarily under section 400.9-312(e), (f), or (g);
2 and

3 (2) Is not made pursuant to a commitment entered into
4 before or while the security interest is perfected by a method
5 other than under section 400.9-309 or 400.9-312(e), (f), or (g).

6 (b) Except as otherwise provided in subsection (c), a
7 security interest is subordinate to the rights of a person that
8 becomes a lien creditor [while the security interest is perfected
9 only] to the extent that [it] the security interest secures
10 [advances] an advance made more than forty-five days after the
11 person becomes a lien creditor unless the advance is made:

12 (1) Without knowledge of the lien; or

13 (2) Pursuant to a commitment entered into without knowledge
14 of the lien.

15 (c) Subsections (a) and (b) do not apply to a security
16 interest held by a secured party that is a buyer of accounts,
17 chattel paper, payment intangibles, or promissory notes or a
18 consignor.

19 (d) Except as otherwise provided in subsection (e), a buyer
20 of goods other than a buyer in ordinary course of business takes
21 free of a security interest to the extent that it secures
22 advances made after the earlier of:

23 (1) The time the secured party acquires knowledge of the
24 buyer's purchase; or

1 (2) Forty-five days after the purchase.

2 (e) Subsection (d) does not apply if the advance is made
3 pursuant to a commitment entered into without knowledge of the
4 buyer's purchase and before the expiration of the forty-five-day
5 period.

6 (f) Except as otherwise provided in subsection (g), a
7 lessee of goods, other than a lessee in ordinary course of
8 business, takes the leasehold interest free of a security
9 interest to the extent that it secures advances made after the
10 earlier of:

11 (1) The time the secured party acquires knowledge of the
12 lease; or

13 (2) Forty-five days after the lease contract becomes
14 enforceable.

15 (g) Subsection (f) does not apply if the advance is made
16 pursuant to a commitment entered into without knowledge of the
17 lease and before the expiration of the forty-five-day period.

18 400.9-406. (a) Subject to subsections (b) through (i), an
19 account debtor on an account, chattel paper, or a payment
20 intangible may discharge its obligation by paying the assignor
21 until, but not after, the account debtor receives a notification,
22 authenticated by the assignor or the assignee, that the amount
23 due or to become due has been assigned and that payment is to be
24 made to the assignee. After receipt of the notification, the

1 account debtor may discharge its obligation by paying the
2 assignee and may not discharge the obligation by paying the
3 assignor.

4 (b) Subject to subsection (h), notification is ineffective
5 under subsection (a):

6 (1) If it does not reasonably identify the rights assigned;

7 (2) To the extent that an agreement between an account
8 debtor and a seller of a payment intangible limits the account
9 debtor's duty to pay a person other than the seller and the
10 limitation is effective under law other than this article; or

11 (3) At the option of an account debtor, if the notification
12 notifies the account debtor to make less than the full amount of
13 any installment or other periodic payment to the assignee, even
14 if:

15 (A) Only a portion of the account, chattel paper, or
16 general intangible has been assigned to that assignee;

17 (B) A portion has been assigned to another assignee; or

18 (C) The account debtor knows that the assignment to that
19 assignee is limited.

20 (c) Subject to subsection (h), if requested by the account
21 debtor, an assignee shall seasonably furnish reasonable proof
22 that the assignment has been made. Unless the assignee complies,
23 the account debtor may discharge its obligation by paying the
24 assignor, even if the account debtor has received a notification

1 under subsection (a).

2 (d) Except as otherwise provided in subsection (e) and
3 sections 400.2A-303 and 400.9-407, and subject to subsection (h),
4 a term in an agreement between an account debtor and an assignor
5 or in a promissory note is ineffective to the extent that it:

6 (1) Prohibits, restricts, or requires the consent of the
7 account debtor or person obligated on the promissory note to the
8 assignment or transfer of, or the creation, attachment,
9 perfection, or enforcement of a security interest in, the
10 account, chattel paper, payment intangible, or promissory note;
11 or

12 (2) Provides that the assignment or transfer or the
13 creation, attachment, perfection, or enforcement of the security
14 interest may give rise to a default, breach, right of recoupment,
15 claim, defense, termination, right of termination, or remedy
16 under the account, chattel paper, payment intangible, or
17 promissory note.

18 (e) Subsection (d) does not apply to the sale of a payment
19 intangible or promissory note.

20 (f) Except as otherwise provided in sections 400.2A-303 and
21 400.9-407, and subject to subsections (h) and (i), a rule of law,
22 statute, or regulation, that prohibits, restricts, or requires
23 the consent of a government, governmental body or official, or
24 account debtor to the assignment or transfer of, or creation of a

1 security interest in, an account or chattel paper is ineffective
2 to the extent that the rule of law, statute, or regulation:

3 (1) Prohibits, restricts, or requires the consent of the
4 government, governmental body or official, or account debtor to
5 the assignment or transfer of, or the creation, attachment,
6 perfection, or enforcement of a security interest in, the account
7 or chattel paper; or

8 (2) Provides that the assignment or transfer or the
9 creation, attachment, perfection, or enforcement of the security
10 interest may give rise to a default, breach, right of recoupment,
11 claim, defense, termination, right of termination, or remedy
12 under the account or chattel paper.

13 (g) Subject to subsection (h), an account debtor may not
14 waive or vary its option under subsection (b)(3).

15 (h) This section is subject to law other than this article
16 which establishes a different rule for an account debtor who is
17 an individual and who incurred the obligation primarily for
18 personal, family, or household purposes.

19 (i) This section does not apply to an assignment of a
20 health-care-insurance receivable.

21 (j) This section prevails over any inconsistent provisions
22 of any statutes, rules, and regulations.

23 400.9-407. (a) Except as otherwise provided in subsection
24 (b), a term in a lease agreement is ineffective to the extent

1 that it:

2 (1) Prohibits, restricts, or requires the consent of a
3 party to the lease to the assignment or transfer of, or the
4 creation, attachment, perfection, or enforcement of a security
5 interest in an interest of a party under the lease contract or in
6 the lessor's residual interest in the goods; or

7 (2) Provides that the assignment or transfer or the
8 creation, attachment, perfection, or enforcement of the security
9 interest may give rise to a default, breach, right of recoupment,
10 claim, defense, termination, right of termination, or remedy
11 under the lease.

12 (b) Except as otherwise provided in section 400.2A-303(7),
13 a term described in subsection (a)(2) is effective to the extent
14 that there is:

15 (1) A transfer by the lessee of the lessee's right of
16 possession or use of the goods in violation of the term; or

17 (2) A delegation of a material performance of either party
18 to the lease contract in violation of the term.

19 (c) The creation, attachment, perfection, or enforcement of
20 a security interest in the lessor's interest under the lease
21 contract or the lessor's residual interest in the goods is not a
22 transfer that materially impairs the lessee's prospect of
23 obtaining return performance or materially changes the duty of or
24 materially increases the burden or risk imposed on the lessee

1 within the purview of section 400.2A-303(4) unless, and then only
2 to the extent that, enforcement actually results in a delegation
3 of material performance of the lessor. [Even in that event, the
4 creation, attachment, perfection, and enforcement of the security
5 interest remain effective.]

6 400.9-408. (a) Except as otherwise provided in subsection
7 (b), a term in a promissory note or in an agreement between an
8 account debtor and a debtor which relates to a
9 health-care-insurance receivable or a general intangible,
10 including a contract, permit, license, or franchise, and which
11 term prohibits, restricts, or requires the consent of the person
12 obligated on the promissory note or the account debtor to, the
13 assignment or transfer of, or creation, attachment, or perfection
14 of a security interest in, the promissory note,
15 health-care-insurance receivable, or general intangible, is
16 ineffective to the extent that the term:

17 (1) Would impair the creation, attachment, or perfection of
18 a security interest; or

19 (2) Provides that the assignment or transfer or the
20 creation, attachment, or perfection of the security interest may
21 give rise to a default, breach, right of recoupment, claim,
22 defense, termination, right of termination, or remedy under the
23 promissory note, health-care-insurance receivable, or general
24 intangible.

1 (b) Subsection (a) applies to a security interest in a
2 payment intangible or promissory note only if the security
3 interest arises out of a sale of the payment intangible or
4 promissory note.

5 (c) A rule of law, statute, or regulation that prohibits,
6 restricts, or requires the consent of a government, governmental
7 body or official, person obligated on a promissory note, or
8 account debtor to the assignment or transfer of, or creation of a
9 security interest in, a promissory note, health-care-insurance
10 receivable, or general intangible, including a contract, permit,
11 license, or franchise between an account debtor and a debtor, is
12 ineffective to the extent that the rule of law, statute, or
13 regulation:

14 (1) Would impair the creation, attachment, or perfection of
15 a security interest; or

16 (2) Provides that the assignment or transfer or the
17 creation, attachment, or perfection of the security interest may
18 give rise to a default, breach, right of recoupment, claim,
19 defense, termination, right of termination, or remedy under the
20 promissory note, health-care-insurance receivable, or general
21 intangible.

22 (d) To the extent that a term in a promissory note or in an
23 agreement between an account debtor and a debtor which relates to
24 a health-care-insurance receivable or general intangible or a

1 rule of law, statute, or regulation described in subsection (c)
2 would be effective under law other than this article but is
3 ineffective under subsection (a) or (c), the creation,
4 attachment, or perfection of a security interest in the
5 promissory note, health-care-insurance receivable, or general
6 intangible:

7 (1) Is not enforceable against the person obligated on the
8 promissory note or the account debtor;

9 (2) Does not impose a duty or obligation on the person
10 obligated on the promissory note or the account debtor;

11 (3) Does not require the person obligated on the promissory
12 note or the account debtor to recognize the security interest,
13 pay or render performance to the secured party, or accept payment
14 or performance from the secured party;

15 (4) Does not entitle the secured party to use or assign the
16 debtor's rights under the promissory note, health-care-insurance
17 receivable, or general intangible, including any related
18 information or materials furnished to the debtor in the
19 transaction giving rise to the promissory note,
20 health-care-insurance receivable, or general intangible;

21 (5) Does not entitle the secured party to use, assign,
22 possess, or have access to any trade secrets or confidential
23 information of the person obligated on the promissory note or the
24 account debtor; and

1 (6) Does not entitle the secured party to enforce the
2 security interest in the promissory note, health-care-insurance
3 receivable, or general intangible.

4 (e) This section prevails over any inconsistent provisions
5 of any statutes, rules, and regulations.

6 400.9-409. (a) A term in a letter of credit or a rule of
7 law, statute, regulation, custom, or practice applicable to the
8 letter of credit which prohibits, restricts, or requires the
9 consent of an applicant, issuer, or nominated person to a
10 beneficiary's assignment of or creation of a security interest in
11 a letter-of-credit right is ineffective to the extent that the
12 term or rule of law, statute, regulation, custom, or practice:

13 (1) Would impair the creation, attachment, or perfection of
14 a security interest in the letter-of-credit right; or

15 (2) Provides that the assignment or the creation,
16 attachment, or perfection of the security interest may give rise
17 to a default, breach, right of recoupment, claim, defense,
18 termination, right of termination, or remedy under the
19 letter-of-credit right.

20 (b) To the extent that a term in a letter of credit is
21 ineffective under subsection (a) but would be effective under law
22 other than this article or a custom or practice applicable to the
23 letter of credit, to the transfer of a right to draw or otherwise
24 demand performance under the letter of credit, or to the

1 assignment of a right to proceeds of the letter of credit, the
2 creation, attachment, or perfection of a security interest in the
3 letter-of-credit right:

4 (1) Is not enforceable against the applicant, issuer,
5 nominated person, or transferee beneficiary;

6 (2) Imposes no duties or obligations on the applicant,
7 issuer, nominated person, or transferee beneficiary; and

8 (3) Does not require the applicant, issuer, nominated
9 person, or transferee beneficiary to recognize the security
10 interest, pay or render performance to the secured party, or
11 accept payment or other performance from the secured party.

12 400.9-504. A financing statement sufficiently indicates the
13 collateral that it covers [only] if the financing statement
14 provides:

15 (1) A description of the collateral pursuant to section
16 400.9-108; or

17 (2) An indication that the financing statement covers all
18 assets or all personal property.

19 400.9-509. (a) A person may file an initial financing
20 statement, amendment that adds collateral covered by a financing
21 statement, or amendment that adds a debtor to a financing
22 statement only if:

23 (1) The debtor authorizes the filing in an authenticated
24 record or pursuant to subsection (b) or (c); or

1 (2) The person holds an agricultural lien that has become
2 effective at the time of filing and the financing statement
3 covers only collateral in which the person holds an agricultural
4 lien.

5 (b) By authenticating or becoming bound as debtor by a
6 security agreement, a debtor or new debtor authorizes the filing
7 of an initial financing statement, and an amendment, covering:

8 (1) The collateral described in the security agreement; and

9 (2) Property that becomes collateral under section
10 400.9-315(a)(2), whether or not the security agreement expressly
11 covers proceeds.

12 (c) By acquiring collateral in which a security interest or
13 agricultural lien continues under section 400.9-315(a)(1), a
14 debtor authorizes the filing of an initial financing statement,
15 and an amendment, covering the collateral and property that
16 becomes collateral under section 400.9-315(a)(2).

17 [(c)] (d) A person may file an amendment other than an
18 amendment that adds collateral covered by a financing statement
19 or an amendment that adds a debtor to a financing statement only
20 if:

21 (1) The secured party of record authorizes the filing; or

22 (2) The amendment is a termination statement for a
23 financing statement as to which the secured party of record has
24 failed to file or send a termination statement as required by

1 section 400.9-513(a) or (c), the debtor authorizes the filing,
2 and the termination statement indicates that the debtor
3 authorized it to be filed.

4 [(d)] (e) If there is more than one secured party of
5 record for a financing statement, each secured party of record
6 may authorize the filing of an amendment under subsection [(c)]
7 (d).

8 400.9-513. (a) A secured party shall cause the secured
9 party of record for a financing statement to file a termination
10 statement for the financing statement if the financing statement
11 covers consumer goods and:

12 (1) There is no obligation secured by the collateral
13 covered by the financing statement and no commitment to make an
14 advance, incur an obligation, or otherwise give value; or

15 (2) The debtor did not authorize the filing of the initial
16 financing statement.

17 (b) To comply with subsection (a), a secured party shall
18 cause the secured party of record to file the termination
19 statement:

20 (1) Within one month after there is no obligation secured
21 by the collateral covered by the financing statement and no
22 commitment to make an advance, incur an obligation, or otherwise
23 give value; or

24 (2) If earlier, within twenty days after the secured party

1 receives an authenticated demand from a debtor.

2 (c) In cases not governed by subsection (a), within twenty
3 days after a secured party receives an authenticated demand from
4 a debtor, the secured party shall cause the secured party of
5 record for a financing statement to send to the debtor a
6 termination statement for the financing statement or file the
7 termination statement in the filing office if:

8 (1) Except in the case of a financing statement covering
9 accounts or chattel paper that has been sold or goods that are
10 the subject of a consignment, there is no obligation secured by
11 the collateral covered by the financing statement and no
12 commitment to make an advance, incur an obligation, or otherwise
13 give value;

14 (2) The financing statement covers accounts or chattel
15 paper that has been sold but as to which the account debtor or
16 other person obligated has discharged its obligation;

17 (3) The financing statement covers goods that were the
18 subject of a consignment to the debtor but are not in the
19 debtor's possession; or

20 (4) The debtor did not authorize the filing of the initial
21 financing statement.

22 (d) Except as otherwise provided in section 400.9-510, upon
23 the filing of a termination statement with the filing office, the
24 financing statement to which the termination statement relates

1 ceases to be effective. Except as otherwise provided in section
2 400.9-510, for purposes of sections 400.9-519(g), 400.9-522(a),
3 and 400.9-523(c), [upon] the filing with the filing office of a
4 termination statement [with the filing office, a financing
5 statement indicating that the debtor is a transmitting utility to
6 which the termination statement relates ceases to be effective]
7 relating to a financing statement that indicates that the debtor
8 is a transmitting utility also causes the effectiveness of the
9 financing statement to lapse.

10 400.9-525. (a) Except as otherwise provided in subsection
11 (e), the fee for filing and indexing a record under this part,
12 other than an initial financing statement of the kind described
13 in section 400.9-502(c), is [the amount specified in subsection
14 (c), if applicable, plus]:

15 (1) If the filing office is the secretary of state's
16 office, then twelve dollars for the first page and one dollar for
17 each subsequent page if the record is communicated in writing or
18 by another medium authorized by filing-office rule, of which fee
19 seven dollars is received and collected by the secretary of state
20 on behalf of the [county employees' retirement fund established
21 pursuant to section 50.1010, RSMo, provided, however, that in any
22 charter county or city not within a county whose employees are
23 not members of the county employees' retirement fund, the fee
24 collected for the county employees' retirement fund established

1 pursuant to section 50.1010, RSMo, shall go to the general
2 revenue fund of that charter county or city not within a county]
3 counties of this state for deposit in the uniform commercial code
4 transition fee trust fund; or

5 (2) If the filing office is other than the secretary of
6 state's office, then the fee otherwise allowed by law.

7 (b) Except as otherwise provided in subsection (e), the fee
8 for filing and indexing an initial financing statement of the
9 kind described in section 400.9-502(c) is [the amount specified
10 in subsection (c), if applicable, plus]:

11 (1) If the filing office is the secretary of state's
12 office, then twelve dollars for the first page and one dollar for
13 each subsequent page if the record is communicated in writing or
14 by another medium authorized by filing-office rule, of which fee
15 seven dollars is received and collected by the secretary of state
16 on behalf of the [county employees' retirement fund established
17 pursuant to section 50.1010, RSMo, provided, however, that in any
18 charter county or city not within a county whose employees are
19 not members of the county employees' retirement fund, the fee
20 collected for the county employees' retirement fund established
21 pursuant to section 50.1010, RSMo, shall go to the general
22 revenue fund of that charter county or city not within a county]
23 counties of this state for deposit in the uniform commercial code
24 transition fee fund; or

1 (2) If the filing office is other than the secretary of
2 state's office, then the fee otherwise allowed by law.

3 (c) The number of names required to be indexed does not
4 affect the amount of the fee in subsections (a) and (b).

5 (d) The fee for responding to a request for information
6 from the filing office, including for communicating whether there
7 is on file any financing statement naming a particular debtor,
8 is:

9 (1) If the filing office is the secretary of state's
10 office, then twenty-two dollars for the first page and one dollar
11 for each subsequent page if the record is communicated in writing
12 or by another medium authorized by filing-office rule, of which
13 fee seven dollars is received and collected by the secretary of
14 state on behalf of the [county employees' retirement fund
15 established pursuant to section 50.1010, RSMo, provided, however,
16 that in any charter county or city not within a county whose
17 employees are not members of the county employees' retirement
18 fund, the fee collected for the county employees' retirement fund
19 established pursuant to section 50.1010, RSMo, shall go to the
20 general revenue fund of that charter county or city not within a
21 county] counties of this state for deposit in the uniform
22 commercial code transition fee trust fund; or

23 (2) If the filing office is other than the secretary of
24 state's office, then the fee otherwise allowed by law.

1 (e) This section does not require a fee with respect to a
2 record of a mortgage which is effective as a financing statement
3 filed as a fixture filing or as a financing statement covering
4 as-extracted collateral or timber to be cut under section
5 400.9-502(c). However, the recording and satisfaction fees that
6 otherwise would be applicable to the record of the mortgage
7 apply.

8 (f) The [secretary of state] department of revenue shall
9 administer a special trust fund, which is hereby established, to
10 be known as the "Uniform Commercial Code Transition Fee Trust
11 Fund", and which shall be funded by seven dollars of each of the
12 fees received and collected pursuant to subdivisions (a), (b) and
13 [(c)] (d) of this section on behalf of the [county employees'
14 retirement fund established pursuant to section 50.1010, RSMo, or
15 the general revenue fund of any charter county or city not within
16 a county whose employees are not members of the county employees'
17 retirement fund] counties of this state for deposit in the
18 uniform commercial code transition fee trust fund.

19 (1) The secretary of state shall keep and provide to the
20 department of revenue and the county employee's retirement fund
21 accurate record of the moneys to be deposited in the uniform
22 commercial code transition fee trust fund allocated to each
23 county and city not within a county on the basis of where such
24 record, financing statement or other document would have been

1 filed prior to July 1, 2001, and the department of revenue shall
2 distribute the moneys pursuant to subdivision (2) of this
3 subsection on that basis.

4 (2) The moneys in the uniform commercial code transition
5 fee trust fund shall be distributed to the county employees'
6 retirement fund established pursuant to section 50.1010, RSMo, or
7 the general revenue fund of any charter county or city not within
8 a county whose employees are not members of the county employees'
9 retirement fund

10 (3) The moneys in the uniform commercial code transition
11 fee trust fund shall [not] be deemed to be [state] nonstate
12 funds, as defined in article IV, section 15 of the Constitution
13 of Missouri, to be administered by the department of revenue,
14 provided, however that interest, if any, earned by the money in
15 the trust fund shall be deposited into the general revenue fund
16 in the state treasury.

17 400.9-602. Except as otherwise provided in section
18 400.9-624, to the extent that they give rights to a debtor or
19 obligor and impose duties on a secured party, [a secured party
20 may not require] the debtor or obligor [to] may not waive or vary
21 the rules stated in the following listed sections:

22 (1) Section 400.9-207(b)(4)(C), which deals with use and
23 operation of the collateral by the secured party;

24 (2) Section 400.9-210, which deals with requests for an

1 accounting and requests concerning a list of collateral and
2 statement of account;

3 (3) Section 400.9-607(c), which deals with collection and
4 enforcement of collateral;

5 (4) Sections 400.9-608(a) and 400.9-615(c) to the extent
6 that they deal with application or payment of noncash proceeds of
7 collection, enforcement, or disposition;

8 (5) Sections 400.9-608(a) and 400.9-615(d) to the extent
9 that they require accounting for or payment of surplus proceeds
10 of collateral;

11 (6) Section 400.9-609 to the extent that it imposes upon a
12 secured party that takes possession of collateral without
13 judicial process the duty to do so without breach of the peace;

14 (7) Sections 400.9-610(b), 400.9-611, 400.9-613 and
15 400.9-614, which deal with disposition of collateral;

16 (8) Section 400.9-615(f), which deals with calculation of a
17 deficiency or surplus when a disposition is made to the secured
18 party, a person related to the secured party, or a secondary
19 obligor;

20 [(8)] (9) Section 400.9-616, which deals with explanation
21 of the calculation of a surplus or deficiency;

22 [(9)] (10) Sections 400.9-620, 400.9-621 and 400.9-622,
23 which deal with acceptance of collateral in satisfaction of
24 obligation;

1 [(10)] (11) Section 400.9-623, which deals with redemption
2 of collateral;

3 [(11)] (12) Section 400.9-624, which deals with
4 permissible waivers; and

5 [(12)] (13) Sections 400.9-625 and 400.9-626, which deal
6 with the secured party's liability for failure to comply with
7 this article.

8 400.9-608. (a) If a security interest or agricultural lien
9 secures payment or performance of an obligation, the following
10 rules apply:

11 (1) A secured party shall apply or pay over for application
12 the cash proceeds of collection or enforcement under [this]
13 section 400.9-607 in the following order to:

14 (A) The reasonable expenses of collection and enforcement
15 and, to the extent provided for by agreement and not prohibited
16 by law, reasonable attorney's fees and legal expenses incurred by
17 the secured party;

18 (B) The satisfaction of obligations secured by the security
19 interest or agricultural lien under which the collection or
20 enforcement is made; and

21 (C) The satisfaction of obligations secured by any
22 subordinate security interest in or other lien on the collateral
23 subject to the security interest or agricultural lien under which
24 the collection or enforcement is made if the secured party

1 receives an authenticated demand for proceeds before distribution
2 of the proceeds is completed;

3 (2) If requested by a secured party, a holder of a
4 subordinate security interest or other lien shall furnish
5 reasonable proof of the interest or lien within a reasonable
6 time. Unless the holder complies, the secured party need not
7 comply with the holder's demand under paragraph (1)(C);

8 (3) A secured party need not apply or pay over for
9 application noncash proceeds of collection and enforcement under
10 [this] section 400.9-607 unless the failure to do so would be
11 commercially unreasonable. A secured party that applies or pays
12 over for application noncash proceeds shall do so in a
13 commercially reasonable manner;

14 (4) A secured party shall account to and pay a debtor for
15 any surplus, and the obligor is liable for any deficiency.

16 (b) If the underlying transaction is a sale of accounts,
17 chattel paper, payment intangibles, or promissory notes, the
18 debtor is not entitled to any surplus, and the obligor is not
19 liable for any deficiency.

20 400.9-611. (a) In this section, "notification date" means
21 the earlier of the date on which:

22 (1) A secured party sends to the debtor and any secondary
23 obligor an authenticated notification of disposition; or

24 (2) The debtor and any secondary obligor waive the right to

1 notification.

2 (b) Except as otherwise provided in subsection (d), a
3 secured party that disposes of collateral under section 400.9-610
4 shall send to the persons specified in subsection (c) a
5 reasonable authenticated notification of disposition.

6 (c) To comply with subsection (b), the secured party shall
7 send an authenticated notification of disposition to:

8 (1) The debtor;

9 (2) Any secondary obligor; and

10 (3) If the collateral is other than consumer goods:

11 (A) Any other person from which the secured party has
12 received, before the notification date, an authenticated
13 notification of a claim of an interest in the collateral;

14 (B) Any other secured party or lienholder that, ten days
15 before the notification date, held a security interest in or
16 other lien on the collateral perfected by the filing of a
17 financing statement that:

18 (i) Identified the collateral;

19 (ii) Was indexed under the debtor's name as of that date;

20 and

21 (iii) Was filed in the office in which to file a financing
22 statement against the debtor covering the collateral as of that
23 date; and

24 (C) Any other secured party that, ten days before the

1 notification date, held a security interest in the collateral
2 perfected by compliance with a statute, regulation, or treaty
3 described in section 400.9-311(a).

4 (d) Subsection (b) does not apply if the collateral is
5 perishable or threatens to decline speedily in value or is of a
6 type customarily sold on a recognized market.

7 (e) A secured party complies with the requirement for
8 notification prescribed by subsection (c)(3)(B) if:

9 (1) Not later than twenty days or earlier than thirty days
10 before the notification date, the secured party requests, in a
11 commercially reasonable manner, information concerning financing
12 statements indexed under the debtor's name in the office
13 indicated in subsection (c)(3)(B); and

14 (2) Before the notification date, the secured party:

15 (A) Did not receive a response to the request for
16 information; or

17 (B) Received a response to the request for information and
18 sent an authenticated notification of disposition to each secured
19 party or other lienholder named in that response whose financing
20 statement covered the collateral.

21 400.9-613. Except in a consumer-goods transaction, the
22 following rules apply:

23 (1) The contents of a notification of disposition are
24 sufficient if the notification:

1 (A) Describes the debtor and the secured party;

2 (B) Describes the collateral that is the subject of the
3 intended disposition;

4 (C) States the method of intended disposition;

5 (D) States that the debtor is entitled to an accounting of
6 the unpaid indebtedness and states the charge, if any, for an
7 accounting; and

8 (E) States the time and place of a public [sale]
9 disposition or the time after which any other disposition is to
10 be made;

11 (2) Whether the contents of a notification that lacks any
12 of the information specified in paragraph (1) are nevertheless
13 sufficient is a question of fact;

14 (3) The contents of a notification providing substantially
15 the information specified in paragraph (1) are sufficient, even
16 if the notification includes:

17 (A) Information not specified by that paragraph; or

18 (B) Minor errors that are not seriously misleading;

19 (4) A particular phrasing of the notification is not
20 required;

21 (5) The following form of notification and the form
22 appearing in section 400.9-614(3), when completed, each provides
23 sufficient information:

24 NOTIFICATION OF DISPOSITION OF COLLATERAL

To: (Name of debtor, obligor, or other person to which the notification is sent)

From: (Name, address, and telephone number of secured party)

Name of Debtor(s): (Include only if debtor(s) are not an addressee)

(For a public disposition:)

We will sell (or lease or license, as applicable) the
(describe collateral) (to the highest qualified bidder) in public
as follows:

Day and Date: _____

Time: _____

Place: _____

(For a private disposition:)

We will sell (or lease or license, as applicable) the
(describe collateral) privately sometime after (day and date).

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell (or lease or license, as applicable) (for a charge of \$). You may request an accounting by calling us at (telephone number)

(End of Form)

400.9-615. (a) A secured party shall apply or pay over for application the cash proceeds of disposition under section 400.9-610 in the following order to:

1 (1) The reasonable expenses of retaking, holding, preparing
2 for disposition, processing, and disposing, and, to the extent
3 provided for by agreement and not prohibited by law, reasonable
4 attorney's fees and legal expenses incurred by the secured party;

5 (2) The satisfaction of obligations secured by the security
6 interest or agricultural lien under which the disposition is
7 made;

8 (3) The satisfaction of obligations secured by any
9 subordinate security interest in or other subordinate lien on the
10 collateral if:

11 (A) The secured party receives from the holder of the
12 subordinate security interest or other lien an authenticated
13 demand for proceeds before distribution of the proceeds is
14 completed; and

15 (B) In a case in which a consignor has an interest in the
16 collateral, the subordinate security interest or other lien is
17 senior to the interest of the consignor; and

18 (4) A secured party that is a consignor of the collateral
19 if the secured party receives from the consignor an authenticated
20 demand for proceeds before distribution of the proceeds is
21 completed.

22 (b) If requested by a secured party, a holder of a
23 subordinate security interest or other lien shall furnish
24 reasonable proof of the interest or lien within a reasonable

1 time. Unless the holder does so, the secured party need not
2 comply with the holder's demand under subsection (a)(3).

3 (c) A secured party need not apply or pay over for
4 application noncash proceeds of disposition under [this] section
5 400.9-610 unless the failure to do so would be commercially
6 unreasonable. A secured party that applies or pays over for
7 application noncash proceeds shall do so in a commercially
8 reasonable manner.

9 (d) If the security interest under which a disposition is
10 made secures payment or performance of an obligation, after
11 making the payments and applications required by subsection (a)
12 and permitted by subsection (c):

13 (1) Unless subsection (a)(4) requires the secured party to
14 apply or pay over cash proceeds to a consignor, the secured party
15 shall account to and pay a debtor for any surplus; and

16 (2) The obligor is liable for any deficiency.

17 (e) If the underlying transaction is a sale of accounts,
18 chattel paper, payment intangibles, or promissory notes:

19 (1) The debtor is not entitled to any surplus; and

20 (2) The obligor is not liable for any deficiency.

21 (f) The surplus or deficiency following a disposition is
22 calculated based on the amount of proceeds that would have been
23 realized in a disposition complying with this part to a
24 transferee other than the secured party, a person related to the

1 secured party, or a secondary obligor if:

2 (1) The transferee in the disposition is the secured party,
3 a person related to the secured party, or a secondary obligor;
4 and

5 (2) The amount of proceeds of the disposition is
6 significantly below the range of proceeds that a complying
7 disposition to a person other than the secured party, a person
8 related to the secured party, or a secondary obligor would have
9 brought.

10 (g) A secured party that receives cash proceeds of a
11 disposition in good faith and without notice that the receipt
12 violates the rights of the holder of a security interest or other
13 lien that is not subordinate to the security interest under which
14 the disposition is made:

15 (1) Takes the cash proceeds free of the security interest
16 or other lien;

17 (2) Is not obligated to apply the proceeds of the
18 disposition to the satisfaction of obligations secured by the
19 security interest or other lien; and

20 (3) Is not obligated to account to or pay the holder of the
21 security interest or other lien for any surplus.

22 400.9-625. (a) If it is established that a secured party
23 is not proceeding in accordance with this article, a court may
24 order or restrain collection, enforcement, or disposition of

1 collateral on appropriate terms and conditions.

2 (b) Subject to subsections (c), (d), and (f), a person is
3 liable for damages in the amount of any loss caused by a failure
4 to comply with this article. Loss caused by a failure to comply
5 [with a request under section 400.9-210] may include loss
6 resulting from the debtor's inability to obtain, or increased
7 costs of, alternative financing.

8 (c) Except as otherwise provided in section 400.9-628:

9 (1) A person that, at the time of the failure, was a
10 debtor, was an obligor, or held a security interest in or other
11 lien on the collateral may recover damages under subsection (b)
12 for its loss; and

13 (2) If the collateral is consumer goods, a person that was
14 a debtor or a secondary obligor at the time a secured party
15 failed to comply with this part may recover for that failure in
16 any event an amount not less than the credit service charge plus
17 ten percent of the principal amount of the obligation or the
18 time-price differential plus ten percent of the cash price.

19 (d) A debtor whose deficiency is eliminated under section
20 400.9-626 may recover damages for the loss of any surplus.
21 However, a debtor or secondary obligor whose deficiency is
22 eliminated or reduced under section 400.9-626 may not otherwise
23 recover under subsection (b) for noncompliance with the
24 provisions of this part relating to collection, enforcement,

1 disposition, or acceptance.

2 (e) In addition to any damages recoverable under subsection
3 (b), the debtor, consumer obligor, or person named as a debtor in
4 a filed record, as applicable, may recover five hundred dollars
5 in each case from a person that:

6 (1) Fails to comply with section 400.9-208;

7 (2) Fails to comply with section 400.9-209;

8 (3) Files a record that the person is not entitled to file
9 under section 400.9-509(a);

10 (4) Fails to cause the secured party of record to file or
11 send a termination statement as required by section 400.9-513(a)
12 or (c);

13 (5) Fails to comply with section 400.9-616(b)(1) and whose
14 failure is part of a pattern, or consistent with a practice, of
15 noncompliance; or

16 (6) Fails to comply with section 400.9-616(b)(2).

17 (f) A debtor or consumer obligor may recover damages under
18 subsection (b) and, in addition, five hundred dollars in each
19 case from a person that, without reasonable cause, fails to
20 comply with a request under section 400.9-210. A recipient of a
21 request under section 400.9-210 which never claimed an interest
22 in the collateral or obligations that are the subject of a
23 request under that section has a reasonable excuse for failure to
24 comply with the request within the meaning of this subsection.

1 (g) If a secured party fails to comply with a request
2 regarding a list of collateral or a statement of account under
3 section 400.9-210, the secured party may claim a security
4 interest only as shown in the list or statement included in the
5 request as against a person that is reasonably misled by the
6 failure.

7 (h) This section shall apply on and after January 1, 2003.

8 400.9-710. (a) In this section:

9 (1) "Former article 9 records" means:

10 a. Financing statements and other records that have been
11 filed in the local-filing office before July 1, 2001, and that
12 are, or upon processing and indexing will be, reflected in the
13 index maintained, as of July 1, 2001, by the local-filing office
14 for financing statements and other records filed in the
15 local-filing office before July 1, 2001; and

16 b. The index as of July 1, 2001.

17 The term does not include records presented to a local-filing
18 office for filing after July 1, 2001, whether or not the records
19 relate to financing statements filed in the local-filing office
20 before July 1, 2001.

21 (2) "Local-filing office" means a filing office, other than
22 the office of the secretary of state, that is designated as the
23 proper place to file a financing statement under 400.9-401 of

1 former article 9. The term applies only with respect to a record
2 that covers a type of collateral as to which the filing office is
3 designated in that section as the proper place to file.

4 (b) Except for a record terminating a former article 9
5 record, a local filing office shall not accept a record presented
6 after June 30, 2001, whether or not the record relates to a
7 financing statement filed in the local filing office before July
8 1, 2001. If the record terminating such former article 9 record
9 is in the standard form prescribed by the secretary of state, the
10 uniform fee for filing and indexing the termination statement in
11 the office of a county recorder shall be the same fee as set out
12 in the former article 9 before the effective date of this act.

13 [(b)] (c) Until June 30, [2006] 2008, each local-filing
14 office must maintain all former article 9 records in accordance
15 with former article 9. A former article 9 record that is not
16 reflected on the index maintained on July 1, 2001, by the
17 local-filing office must be processed and indexed, and reflected
18 on the index as of July 1, 2001, as soon as practicable but in
19 any event no later than thirty days after July 1, 2001.

20 [(c)] (d) Until at least June 30, 2008, each local-filing
21 office must respond to requests for information with respect to
22 former article 9 records relating to a debtor and issue
23 certificates, in accordance with former article 9. The fees
24 charged for responding to requests for information relating to a

1 debtor and issuing certificates with respect to former article 9
2 records must be the fees in effect under former article 9 on July
3 1, 2001.

4 [(d)] (e) After June 30, [2006] 2008, each local-filing
5 office may remove and destroy, in accordance with any then
6 applicable record retention law of this state, all former article
7 9 records, including the related index.

8 [(e)] (f) This section does not apply, with respect to
9 financing statements and other records, to a filing office in
10 which mortgages or records of mortgages on real property are
11 required to be filed or recorded, if:

12 (1) The collateral is timber to be cut or as-extracted
13 collateral; or

14 (2) The record is or relates to a financing statement filed
15 as a fixture and the collateral is goods that are or are to
16 become fixtures.

17 407.432. As used in sections 407.430 to 407.436, the
18 following terms shall mean:

19 (1) "Acquirer", a business organization, financial
20 institution, or an agent of a business organization or financial
21 institution that authorizes a merchant to accept payment by
22 credit card for merchandise;

23 (2) "Cardholder", the person's name on the face of a credit
24 card to whom or for whose benefit the credit card is issued by an

1 issuer, or any agent authorized signatory or employee of such
2 person;

3 (3) "Counterfeit credit card", any credit card which is
4 fictitious, altered, or forged, any false representation,
5 depiction, facsimile or component of a credit card, or any credit
6 card which is stolen, obtained as part of a scheme to defraud, or
7 otherwise unlawfully obtained, and which may or may not be
8 embossed with account information or a company logo;

9 (4) "Credit card" or "debit card", any instrument or
10 device, whether known as a credit card, credit plate, bank
11 service card, banking card, check guarantee card, or debit card
12 or by any other name, issued with or without fee by an issuer for
13 the use of the cardholder in obtaining money or merchandise on
14 credit, or for use in an automated banking device to obtain any
15 of the services offered through the device. The presentation of
16 a credit card account number is deemed to be the presentation of
17 a credit card;

18 (5) "Expired credit card", a credit card for which the
19 expiration date shown on it has passed;

20 (6) "Issuer", the business organization or financial
21 institution or its duly authorized agent, which issues a credit
22 card;

23 (7) "Merchandise", any objects, wares, goods, commodities,
24 intangibles, real estate, services, or anything else of value;

1 (8) "Merchant", an owner or operator of any retail
2 mercantile establishment, or any agent, employee, lessee,
3 consignee, officer, director, franchisee, or independent
4 contractor of such owner or operator. A merchant includes a
5 person who receives from an authorized user of a payment card, or
6 an individual the person believes to be an authorized user, a
7 payment card or information from a payment card as the instrument
8 for obtaining, purchasing, or receiving goods, services, money,
9 or anything of value from the person;

10 (9) "Person", any natural person or his legal
11 representative, partnership, firm, for-profit or not-for-profit
12 corporation, whether domestic or foreign, company, foundation,
13 trust, business entity or association, and any agent, employee,
14 salesman, partner, officer, director, member, stockholder,
15 associate, trustee or cestui que trust thereof;

16 [(9)] (10) "Reencoder", an electronic device that places
17 encoded information from the magnetic strip or stripe of a credit
18 or debit card onto the magnetic strip or stripe of a different
19 credit or debit card;

20 (11) "Revoked credit card", a credit card for which
21 permission to use it has been suspended or terminated by the
22 issuer;

23 (12) "Scanning device", a scanner, reader, or any other
24 electronic device that is used to access, read, scan, obtain,

1 memorize, or store, temporarily or permanently, information
2 encoded on the magnetic strip or stripe of a credit or debit
3 card.

4 407.433. 1. No person, other than the cardholder, shall:

5 (1) Disclose more than the last five digits of a credit
6 card or debit card account number on any sales receipt for
7 merchandise sold in this state;

8 (2) Use a scanning device to access, read, obtain,
9 memorize, or store, temporarily or permanently, information
10 encoded on the magnetic strip or stripe of a credit or debit card
11 without the permission of the cardholder and with the intent to
12 defraud any person, the issuer, or a merchant; or

13 (3) Use a reencoder to place information encoded on the
14 magnetic strip or stripe of a credit or debit card onto the
15 magnetic strip or stripe of a different card without the
16 permission of the cardholder from which the information is being
17 reencoded and with the intent to defraud any person, the issuer,
18 or a merchant.

19 2. Any person who knowingly violates this section is guilty
20 of an infraction and any second or subsequent violation of this
21 section is a class A misdemeanor.

22 3. It shall not be a violation of subdivision (1) of
23 subsection 1 of this section if:

24 (1) The sole means of recording the credit card number or

1 debit card number is by handwriting or, prior to January 1, 2005,
2 by an imprint of the credit card or debit card; and

3 (2) For handwritten or imprinted copies of credit card or
4 debit card receipts, only the merchant's copy of the receipt
5 lists more than the last five digits of the account number.

6 4. This section shall become effective on January 1, 2003,
7 and applies to any cash register or other machine or device that
8 prints or imprints receipts of credit card or debit card
9 transactions and which is placed into service on or after January
10 1, 2003. Any cash register or other machine or device that
11 prints or imprints receipts on credit card or debit card
12 transactions and which is placed in service prior to January 1,
13 2003, shall be subject to the provisions of this section on or
14 after January 1, 2005.

15 408.140. 1. No further or other charge or amount
16 whatsoever shall be directly or indirectly charged, contracted
17 for or received for interest, service charges or other fees as an
18 incident to any such extension of credit except as provided and
19 regulated by sections 367.100 to 367.200, RSMo, and except:

20 (1) On loans for thirty days or longer which are other than
21 "open-end credit" as such term is defined in the federal Consumer
22 Credit Protection Act and regulations thereunder, a fee, not to
23 exceed five percent of the principal amount loaned not to exceed
24 [fifty] seventy-five dollars may be charged by the lender;

1 however, no such fee shall be permitted on any extension,
2 refinance, restructure or renewal of any such loan, unless any
3 investigation is made on the application to extend, refinance,
4 restructure or renew the loan;

5 (2) The lawful fees actually and necessarily paid out by
6 the lender to any public officer for filing, recording, or
7 releasing in any public office any instrument securing the loan,
8 which fees may be collected when the loan is made or at any time
9 thereafter; however, premiums for insurance in lieu of perfecting
10 a security interest required by the lender may be charged if the
11 premium does not exceed the fees which would otherwise be
12 payable;

13 (3) If the contract so provides, a charge for late payment
14 on each installment or minimum payment in default for a period of
15 not less than fifteen days in an amount not to exceed five
16 percent of each installment due or the minimum payment due or
17 twenty-five dollars, whichever is less; except that, a minimum
18 charge of ten dollars may be made. If the contract so provides,
19 a charge for late payment on each twenty-five dollars or less
20 installment in default for a period of not less than fifteen days
21 shall not exceed five dollars;

22 (4) If the contract so provides, a charge for late payment
23 for a single payment note in default for a period of not less
24 than fifteen days in an amount not to exceed five percent of the

1 payment due; provided that, the late charge for a single payment
2 note shall not exceed fifty dollars;

3 (5) Charges or premiums for insurance written in connection
4 with any loan against loss of or damage to property or against
5 liability arising out of ownership or use of property as provided
6 in section 367.170, RSMo; however, notwithstanding any other
7 provision of law, with the consent of the borrower, such
8 insurance may cover property all or part of which is pledged as
9 security for the loan, and charges or premiums for insurance
10 providing life, health, accident, or involuntary unemployment
11 coverage;

12 (6) Charges assessed by any institution for processing a
13 refused instrument plus a handling fee of not more than fifteen
14 dollars;

15 (7) If the contract or promissory note, signed by the
16 borrower, provides for attorney fees, and if it is necessary to
17 bring suit, such attorney fees may not exceed fifteen percent of
18 the amount due and payable under such contract or promissory
19 note, together with any court costs assessed. The attorney fees
20 shall only be applicable where the contract or promissory note is
21 referred for collection to an attorney, and is not handled by a
22 salaried employee of the holder of the contract;

23 (8) Provided the debtor agrees in writing, the lender may
24 collect a fee in advance for allowing the debtor to defer up to

1 three monthly loan payments, so long as the fee is no more than
2 the lesser of fifty dollars or ten percent of the loan payments
3 deferred, no extensions are made until the first loan payment is
4 collected and no more than one deferral in a twelve-month period
5 is agreed to and collected on any one loan[.]; this [section]
6 subdivision applies to nonprecomputed loans only and does not
7 affect any other [sections] subdivision[.];

8 (9) If the open-end credit contract is tied to a
9 transaction account in a depository institution, such account is
10 in the institution's assets and such contract provides for loans
11 of thirty-one days or longer which are "open-end credit", as such
12 term is defined in the federal Consumer Credit Protection Act and
13 regulations thereunder, the creditor may charge a credit advance
14 fee of the lesser of twenty-five dollars or five percent of the
15 credit advanced from time to time from the line of credit; such
16 credit advance fee may be added to the open-end credit
17 outstanding along with any interest, and shall not be considered
18 the unlawful compounding of interest as that term is defined in
19 section 408.120.

20 2. Other provisions of law to the contrary notwithstanding,
21 an open-end credit contract under which a credit card is issued
22 by a company, financial institution, savings and loan or other
23 credit issuing company whose credit card operations are located
24 in Missouri may charge an annual fee, provided that no finance

1 charge shall be assessed on new purchases other than cash
2 advances if such purchases are paid for within twenty-five days
3 of the date of the periodic statement therefor.

4 3. Notwithstanding any other provision of law to the
5 contrary, in addition to charges allowed pursuant to section
6 408.100, an open-end credit contract provided by a company,
7 financial institution, savings and loan or other credit issuing
8 company which is regulated pursuant to this chapter may charge an
9 annual fee not to exceed fifty dollars.

10 408.510. Notwithstanding any other law to the contrary, the
11 phrase "consumer installment loans" means secured or unsecured
12 loans of any amount and payable in not less than four
13 substantially equal installments over a period of not less than
14 one hundred twenty days. The phrase "consumer installment
15 lender" means a person licensed to make consumer installment
16 loans. A consumer installment lender shall be licensed in the
17 same manner and upon the same terms as a lender making consumer
18 credit loans. Such consumer installment lenders shall contract
19 for and receive interest and fees in accordance with sections
20 408.100 [and], 408.140, and 408.170. Consumer installment
21 lenders shall be subject to the provisions of sections 408.551 to
22 408.562.

23 408.556. 1. In any action brought by a lender against a
24 borrower arising from default, the petition shall allege the

1 facts of the borrower's default, facts sufficient to show
2 compliance with the provisions of sections [400.9-501 to
3 400.9-507] 400.9-601 to 400.9-629, RSMo, which provisions are
4 hereby deemed applicable to all credit transactions, with respect
5 to any sale or other disposition of collateral for the credit
6 transaction, the amount to which the lender is entitled, and an
7 indication of how that amount was determined.

8 2. A default judgment may not be entered in the action in
9 favor of the lender unless the petition is verified by the
10 lender, or sworn testimony, by affidavit or otherwise, is adduced
11 showing that the lender is entitled to the relief demanded.

12 3. If a lender takes possession or voluntarily accepts
13 surrender of goods in which the lender has a purchase money
14 security interest to secure a credit transaction in the principal
15 amount of less than five hundred dollars, the borrower is not
16 liable to the lender for the unpaid balance.

17 4. Following any disposition of collateral pursuant to the
18 provisions of [section 400.9-504] sections 400.9-601 to 400.9-
19 629, RSMo, the lender shall be entitled to recover from the
20 borrower the deficiency, if any, only if the amount financed in
21 the transaction was more than five hundred dollars and the amount
22 remaining unpaid at the time of default is three hundred dollars
23 or more.

24 408.557. [1.] When a lender sells or otherwise disposes of

1 collateral in a transaction in which an action for a deficiency
2 may be commenced against the borrower, prior to bringing any such
3 action or upon written request of the borrower, the lender shall
4 give the borrower the notice [described in this section. A
5 lender gives notice to the borrower under this section when he
6 delivers the notice to the borrower or mails the notice to him at
7 his last known address.

8 2. The notice shall be in writing and conspicuously state:

9 (1) The name, address and telephone number of the lender to
10 whom payment of any deficiency is to be made;

11 (2) An identification of the goods sold or otherwise
12 disposed of;

13 (3) The date of sale or other disposition;

14 (4) The nature of the disposition if other than a sale, or,
15 if a sale, whether or not the goods were sold at public auction
16 and the name and address of the person who conducted the auction;

17 (5) The amount due the lender immediately prior to the
18 disposition after deducting the amount of any refund of interest
19 and, if known to the creditor, insurance premiums;

20 (6) The sale price;

21 (7) Expenses incurred by the lender permitted to be
22 deducted from the sale price before application to the debt
23 pursuant to sections 400.9-501 to 400.9-507, RSMo, itemized and
24 identified to show the nature of each such expense; and

1 (8) The remaining deficiency, or surplus, as of the date of
2 sale, computed by subtracting item (7) from item (6) and
3 subtracting the difference so determined, if more than zero, from
4 item (5)] provided in section 400.9-614, RSMo, for consumer goods
5 transactions or section 400.9-613, RSMo, for all other
6 transactions that are not consumer goods transactions.

7 409.204. (a) The commissioner may by order deny, suspend,
8 or revoke any registration or bar or censure any registrant or
9 any officer, director, partner or person occupying a similar
10 status or performing similar functions for a registrant, from
11 employment with a registered broker-dealer or investment adviser,
12 or restrict or limit a registrant as to any function or activity
13 of the business for which registration is required in this state,
14 if [he] the commissioner finds (1) that the order is in the
15 public interest and (2) that the applicant or registrant or, in
16 the case of a broker-dealer or investment adviser, any partner,
17 officer, or director, any person occupying a similar status or
18 performing similar functions, or any person directly or
19 indirectly controlling the broker-dealer or investment adviser:

20 (A) Has filed an application for registration which as of
21 its effective date, or as of any date after filing in the case of
22 an order denying effectiveness, was incomplete in any material
23 respect or contained any statement which was, in light of the
24 circumstances under which it was made, false or misleading with

1 respect to any material fact;

2 (B) Has willfully violated or willfully failed to comply
3 with any provision of sections 409.101 to 409.419 or a
4 predecessor act or any rule or order [under] pursuant to sections
5 409.101 to 409.419 or a predecessor act;

6 (C) Has been convicted, within the past ten years, of any
7 misdemeanor involving a security or any aspect of the securities
8 business, or any felony;

9 (D) Is permanently or temporarily enjoined by any court of
10 competent jurisdiction from engaging in or continuing any conduct
11 or practice involving any aspect of the securities business;

12 (E) Is the subject of an order of the commissioner denying,
13 suspending, or revoking registration as a broker-dealer, agent,
14 investment adviser, or investment adviser representative;

15 (F) Is the subject of an adjudication or determination,
16 after notice and opportunity for hearing, within the past ten
17 years by a securities or commodities agency or administrator of
18 another state or a court of competent jurisdiction that the
19 person has willfully violated the Securities Act of 1933, the
20 Securities Exchange Act of 1934, the Investment Advisers Act of
21 1940, the Investment Company Act of 1940 or the Commodity
22 Exchange Act, or the securities or commodities law of any other
23 state;

24 (G) Has engaged in dishonest or unethical practices in the

1 securities business;

2 (H) Is insolvent, either in the sense that his or her
3 liabilities exceed his or her assets or in the sense that he or
4 she cannot meet [his] obligations as they mature; but the
5 commissioner may not enter an order against a broker-dealer or
6 investment adviser [under] pursuant to this clause without a
7 finding of insolvency as to the broker-dealer or investment
8 adviser;

9 (I) Is not qualified on the basis of such factors as
10 training, experience, and knowledge of the securities business,
11 except as otherwise provided in subsection (b) of this section;

12 (J) Has failed reasonably to supervise his or her agents or
13 employees if he or she is a broker-dealer, or [his] adviser
14 representatives or employees if [he is] an investment adviser;
15 for the purposes of this clause no person shall be deemed to have
16 failed reasonably to supervise any person if there have been
17 established procedures, and a system for applying such
18 procedures, which would reasonably be expected to prevent and
19 detect, insofar as practicable, any such violations by such other
20 person, and such person has reasonably discharged the duties and
21 obligations incumbent upon him or her by reason of such
22 procedures and system without reasonable cause to believe that
23 such procedures and system were not being complied with;

24 (K) Has failed to pay the proper filing fee; but the

1 commissioner may enter only a denial order [under] pursuant to
2 this clause, and he or she shall vacate any such order when the
3 deficiency has been corrected; or

4 (L) Has been denied the right to do business in the
5 securities industry, or the person's respective authority to do
6 business in the securities industry has been revoked by any other
7 state, federal or foreign governmental agency or self-regulatory
8 organization for cause, or is the subject of a final order in a
9 criminal action for securities or fraud related violations of the
10 law of any state, federal, or foreign governmental unit, or
11 within the last ten years the person has been the subject of a
12 final order in a civil, injunctive or administrative action for
13 securities or fraud related violations of the law of any state,
14 federal, or foreign governmental unit.

15 [An agent registered in Missouri transferring from one Missouri
16 registered broker-dealer to another Missouri registered
17 broker-dealer shall automatically have a temporary permit to
18 transact securities business for one hundred twenty days
19 following the date their application becomes complete and
20 nondeficient, unless the commissioner has issued an order of
21 denial or summary postponement under this section. The one
22 hundred twenty- day temporary permit creates no property right
23 for the agent or the broker dealer. During the one hundred

1 twenty-day temporary permit the agent's application may be denied
2 or summarily postponed under this section by the commissioner;
3 however, if no denial or postponement has been entered during the
4 period of the temporary permit, the agent will have a
5 registration in Missouri. The commissioner shall have one
6 hundred twenty days from the date of an initial or renewal
7 registration in which to issue a revocation or suspension on the
8 basis of a fact or transaction which was known to him when the
9 registration became effective.]

10 (b) The following provisions govern the application of
11 section 409.204(a)(2)(I):

12 (1) The commissioner may not enter an order against a
13 broker-dealer on the basis of the lack of qualification of any
14 person other than (A) the broker-dealer himself if he or she is
15 an individual or (B) an agent of the broker-dealer.

16 (2) The commissioner may not enter an order against an
17 investment adviser on the basis of the lack of qualification of
18 any person other than (A) the investment adviser himself if he is
19 an individual or (B) an investment adviser representative.

20 (3) The commissioner may not enter an order solely on the
21 basis of lack of experience if the applicant or registrant is
22 qualified by training or knowledge or both.

23 (4) The commissioner shall consider that an agent who will
24 work under the supervision of a registered broker-dealer need not

1 have the same qualifications as a broker-dealer and that an
2 investment adviser representative who will work under the
3 supervision of a registered investment adviser need not have the
4 same qualifications as an investment adviser.

5 (5) The commissioner shall consider that an investment
6 adviser is not necessarily qualified solely on the basis of
7 experience as a broker-dealer or agent. When [he] the
8 commissioner finds that an applicant for initial or renewal
9 registration as a broker-dealer is not qualified as an investment
10 adviser, [he] the commissioner may by order condition the
11 applicant's registration as a broker-dealer upon [his] the
12 applicant not transacting business in this state as an investment
13 adviser.

14 (6) The commissioner may by rule provide for an
15 examination, including an examination developed or approved by an
16 organization of securities administrators, which examination may
17 be written or oral or both, to be taken by any class of or all
18 applicants, as well as persons who represent or will represent an
19 investment adviser in doing any of the acts which make him or her
20 an investment adviser; provided, however, that no examination may
21 be required of any person (1) who was registered as a
22 broker-dealer or as an agent or who was a general partner or
23 officer of a registered broker-dealer January 1, 1968, and (2)
24 who has been continuously registered [under] pursuant to this law

1 since that time. The commissioner may by rule or order waive the
2 examination requirement as to a person or class of persons if the
3 commissioner determines that the examination is not necessary for
4 the protection of advisory clients.

5 (c) The commissioner may by order summarily postpone or
6 suspend registration pending final determination of any
7 proceeding [under] pursuant to this section, including a
8 proceeding to determine the completeness of an application or
9 where the commissioner is requesting additional information
10 regarding the application. Upon the entry of the order, the
11 commissioner shall promptly notify the applicant or registrant,
12 as well as the employer or prospective employer if the applicant
13 or registrant is an agent or investment adviser representative,
14 that it has been entered and of the reasons therefor and that
15 within fifteen days after the receipt of a written request the
16 matter will be set down for hearing. If no hearing is requested
17 and none is ordered by the commissioner, the order will remain in
18 effect until it is modified or vacated by the commissioner. If
19 hearing is requested or ordered, the commissioner, after notice
20 of and opportunity for hearing, may modify or vacate the order or
21 extend it until final determination.

22 (d) If the commissioner finds that any registrant or
23 applicant for registration is no longer in existence or has
24 ceased to do business as a broker-dealer, agent, investment

1 adviser or investment adviser representative, or is subject to an
2 adjudication of mental incompetence or to the control of a
3 committee, conservator, or guardian, or cannot be located after
4 reasonable search, the commissioner may by order cancel the
5 registration or application.

6 (e) Withdrawal from registration as a broker-dealer, agent,
7 investment adviser or investment adviser representative becomes
8 effective thirty days after receipt of an application to withdraw
9 or within such shorter period of time as the commissioner may
10 determine, unless a revocation or suspension proceeding is
11 pending when the application is filed or a proceeding to revoke
12 or suspend or to impose conditions upon the withdrawal is
13 instituted within thirty days after the application is filed. If
14 a proceeding is pending or instituted, withdrawal becomes
15 effective at such time and upon such conditions as the
16 commissioner by order determines. If no proceeding is pending or
17 instituted and withdrawal automatically becomes effective, the
18 commissioner may nevertheless institute a revocation or
19 suspension proceeding [under] pursuant to section
20 409.204(a)(2)(B) within one year after withdrawal became
21 effective and enter a revocation or suspension order as of the
22 last date on which registration was effective.

23 (f) (1) If a proceeding is instituted to revoke or suspend
24 a registration of any agent, broker-dealer [or], investment

1 adviser [under], or investment adviser representative pursuant to
2 sections 409.101 to 409.419, the commissioner shall refer the
3 case to the administrative hearing commission. The
4 administrative hearing commission shall conduct hearings and make
5 findings of fact and conclusions of law in such cases. The
6 commissioner shall have the burden of proving a ground for
7 suspension or revocation [under] pursuant to sections 409.101 to
8 409.419.

9 (2) The administrative hearing commission shall conduct
10 hearings and make findings of fact and conclusions of law in
11 those cases wherein a person files a petition with the
12 commission, which petition states that the commissioner has
13 denied any registration of any agent, broker-dealer or investment
14 adviser [under] pursuant to sections 409.101 to 409.419.

15 (3) Upon receipt of a written complaint or petition filed
16 pursuant to subsections (1) and (2) of this subsection (f), the
17 administrative hearing commission shall cause a copy of the
18 complaint or petition to be served upon the appropriate parties
19 in person or by certified mail, together with a notice of the
20 place of and date upon which the hearing on the complaint or
21 petition will be held.

22 (4) Hearing procedures, action by the commissioner in
23 revoking, suspending or denying any registration of any agent,
24 broker-dealer or investment adviser hereunder, judicial review of

1 the decisions of the commissioner and of the administrative
2 hearing commission, and all other procedural matters hereunder
3 shall be governed by the provisions of sections 621.015 to
4 621.193, RSMo.

5 (g) An agent or investment adviser representative
6 registered in this state transferring from one Missouri
7 registered broker-dealer or investment adviser to another
8 Missouri registered broker-dealer or investment adviser shall
9 automatically have a temporary registration to transact
10 securities business for thirty days following the date the
11 application becomes complete and nondeficient, unless the
12 commissioner has withdrawn the temporary registration or issued
13 an order of denial or summary postponement pursuant to this
14 section. The thirty-day temporary registration creates no
15 property right for the agent, broker-dealer, investment adviser,
16 or investment adviser's representative. During the thirty-day
17 temporary registration, the agent's or investment adviser's
18 application may be denied or summarily postponed by the
19 commissioner pursuant to this section; however, if no denial or
20 postponement has been entered during the period of temporary
21 registration, the agent or investment adviser representative
22 shall have a registration in this state. However, the
23 registration of the transferring agent or investment adviser
24 representative is immediately effective as of the date the new

1 employment or association began, if the application contains no
2 new or amended disciplinary disclosure within the preceding three
3 years.

4 (h) The commissioner shall have one hundred twenty days
5 from the date of an initial or renewal registration in which to
6 institute a proceeding to revoke or suspend a registration of any
7 agent, broker-dealer, investment adviser, or investment adviser
8 representative because of a fact or transaction that was known by
9 the commissioner when the registration became effective.

10 409.402. (a) The following securities are exempted from
11 sections 409.301 and 409.403:

12 (1) Any security (including a revenue obligation) issued or
13 guaranteed by the United States, any state, any political
14 subdivision of a state, or any agency or corporate or other
15 instrumentality of one or more of the foregoing; or any
16 certificate of deposit for any of the foregoing;

17 (2) Any security issued or guaranteed by Canada, any
18 Canadian province, any political subdivision of any such
19 province, any agency or corporate or other instrumentality of one
20 or more of the foregoing, or any other foreign government with
21 which the United States currently maintains diplomatic relations,
22 if the security is recognized as a valid obligation by the issuer
23 or guarantor;

24 (3) Any security issued by and representing an interest in

1 or a debt of, or guaranteed by, any bank organized [under]
2 pursuant to the laws of the United States, or any bank, savings
3 institution, or trust company organized and supervised [under]
4 pursuant to the laws of any state;

5 (4) Any security issued by and representing an interest in
6 or a debt of, or guaranteed by, any federal savings and loan
7 association, or any building and loan or similar association
8 organized [under] pursuant to the laws of any state and
9 authorized to do business in this state;

10 (5) Any security issued by an agricultural cooperative
11 corporation organized [under] pursuant to the laws of this state
12 and operated as an agricultural "cooperative association" if the
13 commissioner is notified in writing thirty days, or such shorter
14 period of time as the commissioner may by rule or order specify,
15 before any such security is sold or offered for sale other than
16 in transactions exempted [under] pursuant to subsection (b)
17 [hereof] of this section, which notification shall contain the
18 form of prospectus or other sales literature intended to be used
19 in connection with the offering of such security together with
20 financial statements;

21 (6) Any security issued or guaranteed by any federal credit
22 union or any credit union, industrial loan association, or
23 similar association organized and supervised [under] pursuant to
24 the laws of this state;

1 (7) Any security issued or guaranteed by any railroad,
2 other common carrier, public utility, or holding company which is
3 (A) subject to the jurisdiction of the Interstate Commerce
4 Commission; (B) a registered holding company [under] pursuant to
5 the Public Utility Holding Company Act of 1935 or a subsidiary of
6 such a company within the meaning of that act; (C) regulated in
7 respect of its rates and charges by a governmental authority of
8 the United States or any state; or (D) regulated in respect of
9 the issuance or guarantee of the security by a governmental
10 authority of the United States, any state, Canada, or any
11 Canadian province;

12 (8) Any security listed or approved for listing upon notice
13 of issuance on the New York Stock Exchange, the American Stock
14 Exchange, or the Midwest Stock Exchange or any other duly
15 organized stock exchange approved by the commissioner by rule or
16 order; any other security of the same issuer which is of senior
17 or substantially equal rank, any security called for by
18 subscription rights or warrants so listed or approved; or any
19 warrant or right to purchase or subscribe to any of the
20 foregoing;

21 (9) Any security issued by any person organized and
22 operated not for private profit but exclusively for religious,
23 educational, benevolent, charitable, fraternal, social, athletic,
24 or reformatory purposes, or as a chamber of commerce or trade or

1 professional association if the commissioner is notified in
2 writing thirty days, or such shorter period of time as the
3 commissioner may by rule or order specify, before any such
4 security is sold or offered for sale other than in transactions
5 exempted [under] pursuant to subsection (b) [hereof] of this
6 section;

7 (10) Any commercial paper which arises out of a current
8 transaction or the proceeds of which have been or are to be used
9 for current transactions, and which evidences an obligation to
10 pay cash within nine months of the date of issuance, exclusive of
11 days of grace, or any renewal of such paper which is likewise
12 limited, or any guarantee of such paper or of any such renewal;

13 (11) Any security offered, sold, issued, distributed or
14 transferred in connection with an employees' stock ownership,
15 savings, pension, profit-sharing, stock bonus, or similar benefit
16 plan or trust (including a self-employed persons retirement
17 plan), provided, in the case of plans or trusts which are not
18 qualified [under] pursuant to section 401 of the Internal Revenue
19 Code of 1954 and which provide for contributions by employees, if
20 the commissioner is notified in writing thirty days before the
21 inception of the plan or, with respect to plans which are in
22 effect on January 1, 1968, within sixty days thereafter (or
23 within thirty days before they are reopened if they are closed on
24 January 1, 1968). The commissioner may for good cause shown

1 accept written notification at any time before the issuance of
2 any such security in this state or any security offered, sold,
3 issued, distributed or transferred in connection with an
4 employees' stock purchase or stock option plan. In the case of
5 issuers who do not have a class of securities registered [under]
6 pursuant to section 12 of the Securities Exchange Act of 1934 the
7 commissioner may for good cause shown accept notification in
8 writing before the first issuance of interests or participations
9 under a stock purchase plan or before the first exercise of
10 options under a stock option plan.

11 (b) The following transactions are exempted from sections
12 409.301 and 409.403 except that no transaction in a certificate
13 of interest or participation, including a limited partnership
14 interest, in an oil, gas or mining title or lease, or in payments
15 out of production or under such a title or lease shall be so
16 exempted:

17 (1) Any isolated nonissuer transaction, whether effected
18 through a broker-dealer or not;

19 (2) Any nonissuer distribution of an outstanding security
20 if (A) a recognized securities manual contains the names of the
21 issuer's officers and directors, a balance sheet of the issuer as
22 of a date within eighteen months, and a profit and loss statement
23 for either the fiscal year preceding that date or the most recent
24 year of operations, or (B) the security has a fixed maturity or a

1 fixed interest or dividend provision and there has been no
2 default during the current fiscal year or within the three
3 preceding fiscal years, or during the existence of the issuer and
4 any predecessors if less than three years, in the payment of
5 principal, interest, or dividends on the security;

6 (3) Any nonissuer transaction effected by or through a
7 registered broker-dealer pursuant to an unsolicited order to buy
8 if the broker-dealer acts as agent for the purchaser and receives
9 no commission or other compensation from any source other than
10 the purchase; but the commissioner may by rule require that the
11 purchaser acknowledge upon a specified form that his or her order
12 to buy was unsolicited, and that a signed copy of each such form
13 be preserved by the broker-dealer for a specified period;

14 (4) Any transaction between the issuer or other person on
15 whose behalf the offering is made and an underwriter, or among
16 underwriters;

17 (5) Any transaction in a bond or other evidence of
18 indebtedness secured by a real or chattel mortgage or deed of
19 trust, or by an agreement for the sale of real estate or
20 chattels, if the entire mortgage, deed of trust, or agreement,
21 together with all the bonds or other evidences of indebtedness
22 secured thereby, is offered and sold as a unit;

23 (6) Any transaction by an executor, administrator, sheriff,
24 marshal, receiver, trustee in bankruptcy, guardian, or

1 conservator;

2 (7) Any transaction executed by a bona fide pledgee without
3 any purpose of evading this act;

4 (8) Any offer or sale to a bank, savings institution, trust
5 company, insurance company, investment company as defined in the
6 Investment Company Act of 1940, pension or profitsharing trust,
7 or other financial institution or institutional buyer, or to a
8 broker-dealer, whether the purchaser is acting for itself or in
9 some fiduciary capacity;

10 (9) Any transaction by an issuer in a security of its own
11 issue if immediately thereafter the total number of persons who
12 are known to the issuer to have any direct or indirect record or
13 beneficial interest in any of its securities (but not including
14 persons with whom transactions have been exempted by paragraph
15 (8) of this subsection) does not exceed twenty-five and if no
16 commission or other remuneration is paid or given to anyone for
17 procuring or soliciting the transaction;

18 (10) Any transaction by an issuer in a security of its own
19 issue if (A) during the twelve months' period ending immediately
20 after such transaction the issuer will have made no more than
21 fifteen transactions exempted by this paragraph (other than
22 transactions also exempted by paragraphs (8) and (9), and (B) the
23 issuer reasonably believes that the buyer is purchasing for
24 investment and the buyer so represents in writing and (C) no

1 commission or other remuneration is paid or given to anyone for
2 procuring or soliciting the sale; but the commissioner may by
3 rule or order, as to any security or transaction or any type of
4 security or transaction, withdraw or further condition this
5 exemption, or increase or decrease the number of prior
6 transactions permitted by clause (A) or waive the conditions in
7 clauses (B) or (C) with or without the substitution of a
8 limitation on remuneration;

9 (11) Any transaction pursuant to an offer to existing
10 security holders of the issuer, including persons who at the time
11 of the transaction are holders of convertible securities,
12 nontransferable warrants, or transferable warrants exercisable
13 within not more than ninety days of their issuance, if (A) no
14 commission or other remuneration (other than a standby
15 commission) is paid or given directly or indirectly for
16 soliciting any security holder in this state, or (B) the issuer
17 first files a notice specifying the terms of the offer and the
18 commissioner does not by order disallow the exemption within the
19 next five full business days;

20 (12) Any offer (but not a sale) of a security for which
21 registration statements have been filed [under] pursuant to both
22 this act and the Securities Act of 1933 if no stop order or
23 refusal order is in effect and no public proceeding or
24 examination looking toward such an order is pending [under]

1 pursuant to either act;

2 (13) Any nonissuer transaction by a person who does not
3 control, or who is not controlled by or under common control
4 with, the issuer in a security which has been (and securities
5 which are of the same class as securities of the same issuer
6 which have been) either registered for sale [under] pursuant to
7 the laws of this state regulating the sale of securities or
8 lawfully sold in this state as a security exempt from such
9 registration;

10 (14) Any nonissuer transaction in a security which at the
11 time of such transaction would be eligible for registration by
12 notification;

13 (15) Any nonissuer transaction by a person who does not
14 control, and is not controlled by or under common control with,
15 the issuer if (i) the transaction is at a price reasonably
16 related to the current market price, and (ii) the security is
17 registered with the Securities and Exchange Commission [under]
18 pursuant to section 12 of the Securities Exchange Act of 1934 and
19 the issuer files reports with the Securities and Exchange
20 Commission pursuant to section 13 of that act;

21 (16) Any patronage distributions of an agricultural
22 cooperative corporation received by a patron or member in the
23 form of capital stock, revolving fund certificate, retain
24 certificate, certificate of indebtedness, letter of advice, or

1 other written notice.

2 (c) The commissioner may by rule or order exempt from
3 sections 409.301 and 409.403 any other transaction not exempted
4 in subsection (b), and may by order withdraw or condition the
5 exemption as [he] the commissioner deems necessary in the public
6 interest.

7 (d) The commissioner may by order deny or revoke any
8 exemption specified in clause (9) or (11) of subsection (a) or in
9 subsection (b) with respect to a specific security or
10 transaction. No such order may be entered without appropriate
11 prior notice to all interested parties, opportunity for hearing,
12 and written findings of fact and conclusions of law, except that
13 the commissioner may by order summarily deny or revoke any of the
14 specified exemptions pending final determination of any
15 proceeding [under] pursuant to this subsection. Upon the entry
16 of a summary order, the commissioner shall promptly notify all
17 interested parties that it has been entered and of the reasons
18 therefor and that within fifteen days of the receipt of a written
19 request the matter will be set down for hearing. If no hearing
20 is requested and none is ordered by the commissioner the order
21 will remain in effect until it is modified or vacated by the
22 commissioner. If a hearing is requested or ordered, the
23 commissioner, after notice of and opportunity for hearing to all
24 interested persons, may modify or vacate the order or extend it

1 until final determination. No order [under] pursuant to this
2 subsection may operate retroactively. No person may be
3 considered to have violated section 409.301 or 409.403 by reason
4 of any offer or sale effected after the entry of an order [under]
5 pursuant to this subsection if he or she sustains the burden of
6 proof that he or she did not know, and in the exercise of
7 reasonable care could not have known, of the order.

8 (e) The commissioner may by order after a hearing deny or
9 revoke any exemption for a security issued by an agricultural
10 cooperative corporation not qualifying [under] pursuant to clause
11 (5) of subsection (a).

12 (f) In any proceeding [under] pursuant to this act, the
13 burden of proving an exemption, qualification as a federal
14 covered security, or an exception from a definition is upon the
15 person claiming it.

16 (g) A person required to file for an exemption [under]
17 pursuant to this section shall pay a fee not to exceed one
18 hundred dollars.

19 417.210. 1. Every person, general partnership,
20 corporation, or other business organization who engages in
21 business in this state under a fictitious name or under any name
22 other than the true name of such person, general partnership,
23 corporation, or other business organization shall, within five
24 days after the beginning or engaging in business under such

1 fictitious name, [register by verified statement of all parties
2 concerned,] execute the form required in this section, and shall
3 be subject to the penalties of making a false declaration
4 pursuant to section 575.060, RSMo, that the facts stated therein
5 are true and that all parties concerned are duly authorized to
6 execute such document and are otherwise required to file such
7 document pursuant to this section upon [blanks] fictitious name
8 forms furnished by the secretary of state, such partnership or
9 other fictitious name in the office of the secretary of state,
10 together with the name or names and the residence of each and
11 every person, partnership, corporation, or other business
12 organization interested in or owning any part of the business;
13 provided, that if the interest of any owner shall cease to exist,
14 or any other person, partnership, corporation, or other entity
15 shall become an owner, such fictitious name shall be reregistered
16 within five days after any such change shall take place in the
17 ownership of the business or any part thereof as set forth in the
18 original registration, and such reregistration shall in all
19 respects be made as in the case of an original registration of
20 such fictitious name; provided, that the provisions of this
21 section shall not apply to farmers' mutual insurance companies
22 nor farmers' mutual telephone companies.

23 2. If the interest of any owner of a business conducted
24 under a fictitious name registered as provided in this section is

1 such that such owner may claim not to be jointly and severally
2 liable to third parties with respect to debts and obligations
3 incurred by such business, the registration relating to such
4 business shall reflect the respective exact ownership interests
5 of each owner of such business. In the case of any other
6 business registered as provided in this section, disclosure of
7 the respective exact ownership interests shall be optional.

8 3. For purposes of this section, a partnership or other
9 entity formed for the practice of a licensed profession shall not
10 be deemed to be engaged in the conduct of business,
11 notwithstanding the transaction by such entity of business
12 ancillary to the practice of such licensed profession.

13 454.516. 1. The director or IV-D agency may cause a lien
14 pursuant to [subsection] subsections 2 and 3 of this section or
15 the obligee may cause a lien pursuant to subsection [9] 7 of this
16 section for unpaid and delinquent child support to [be placed
17 upon] block the issuance of a certificate of ownership for motor
18 vehicles, motor boats, outboard motors, manufactured homes and
19 trailers that are registered in the name of a delinquent child
20 support obligor[, if the title to the property is held by a
21 lienholder].

22 2. The director or IV-D agency shall notify the department
23 of revenue with the required information necessary to impose a
24 lien pursuant to this section by filing a notice of lien[, and

1 the department of revenue shall notify the lienholder of the
2 existence of such lien].

3 3. The director or IV-D agency shall not notify the
4 department of revenue and the department of revenue shall not
5 register [the] such lien [unless] except as provided in this
6 subsection. After the director or IV-D agency decide that such
7 lien qualifies pursuant to this section and forward it to the
8 department of revenue, the director of revenue or the director's
9 designee shall only file such lien against the obligor's
10 certificate of ownership when:

11 (1) The [director of revenue or the director's designee
12 determines that the] obligor has unpaid child support which
13 exceeds one thousand dollars;

14 (2) The property has a value of more than three thousand
15 dollars as determined by current industry publications that
16 provide such estimates to dealers in the business, and the
17 property's year of manufacture is within seven years of the date
18 of filing of the lien except in the case of a motor vehicle that
19 has been designated a historic vehicle;

20 (3) The property has no more than two existing liens for
21 child support;

22 (4) The property has had no more than three prior liens for
23 child support in the same calendar year.

24 4. In the event that a lien is placed and the obligor's

1 total support obligation is eliminated, the director shall notify
2 the department of revenue that the lien shall be removed.

3 5. Upon notification [by the director] that a lien exists
4 pursuant to this section, the department of revenue shall [send a
5 sticker of impaired title in an envelope which says prominently
6 "important legal document" to the lienholder] register the lien
7 on the records of the department of revenue. Such [sticker]
8 registration shall contain the type and model of the property[,]
9 and the serial number of the property [and the identification
10 number of the obligor and shall be properly affixed to the
11 certificate of title by the lienholder].

12 6. Upon notification by the director that the lien shall be
13 removed pursuant to subsection 4 of this section, the department
14 of revenue shall [send a void sticker to the lienholder and such
15 void sticker shall be properly affixed to the certificate of
16 title by the lienholder covering the impaired title sticker.
17 Such sticker] register such removal of lien on its datebank, that
18 shall contain the type and model of the property[,]
19 and the serial number of the property [and the identification number of
20 the obligor].

21 [7. When a lienholder has received notice of a lien created
22 by the division or IV-D agency pursuant to this section and the
23 obligor thereafter satisfies the debt to that lienholder, the
24 lienholder shall mail to the division or IV-D agency the

1 certificate of ownership on the motor vehicle, motor boat,
2 outboard motor, manufactured home or trailer.] The division or
3 IV-D agency may hold [the certificate of ownership] any
4 satisfaction of the registered lien until the child support
5 obligation is satisfied, or levy and execute on the motor
6 vehicle, motor boat, outboard motor, manufactured home or trailer
7 and sell same, at public sale, in order to satisfy the debt. [A
8 lienholder shall inform dealers in the business of motor
9 vehicles, motor boats, manufactured homes and trailers, upon
10 request, of the existence or nonexistence of a lien imposed by
11 the division pursuant to this section.

12 8. A good faith purchaser for value without notice of the
13 lien or a lender without notice of the lien takes free of the
14 lien.

15 9.] 7. In cases which are not IV-D cases, to cause a lien
16 pursuant to the provisions of this section the obligee or the
17 obligee's attorney shall file notice of the lien with the
18 [lienholder or payor] department of revenue. This notice shall
19 have attached a certified copy of the court order with all
20 modifications and a sworn statement by the obligee or a certified
21 statement from the court attesting to or certifying the amount of
22 arrearages.

23 8. Notwithstanding any other law to the contrary, the
24 department of revenue shall maintain a child support lien

1 database for outstanding child support liens against the owner's
2 certificate of ownership provided for by chapters 301, 306, and
3 700, RSMo. To determine any existing liens for child support
4 pursuant to this section, the lienholder, dealer, or buyer may
5 inquire electronically into the database. A good faith purchaser
6 for value without notice of the lien in the database or a lender
7 without notice of the lien in the database takes free of the
8 lien.

9 525.070. Whenever any property, effects, money or debts,
10 belonging or owing to the defendant, shall be confessed, or found
11 by the court or jury, to be in the hands of the garnishee, [he]
12 the garnishee may, at any time before final judgment, discharge
13 himself, by paying or delivering the same, or so much thereof as
14 the court shall order, to the sheriff or to the court, from all
15 further liability on account of the property, money or debts so
16 paid or delivered.

17 541.155. Any person charged with fraudulent use of a credit
18 device, or any stealing offense in which another person's credit
19 card number, check, or checking account number was fraudulently
20 used for the purpose of obtaining property or services of
21 another, shall be prosecuted:

22 (1) In the county in which the offense is committed; or

23 (2) If the offense is committed partly in one county and
24 partly in another, or if the elements of the offense occur in

1 more than one county, then in any of the counties where any
2 element of the offense occurred; or

3 (3) In the county in which the defendant resides; or

4 (4) In the county in which the victim resides; or

5 (5) In the county in which the property obtained or
6 attempted to be obtained was located.

7 570.130. 1. A person commits the crime of fraudulent use
8 of a credit device or debit device if the person uses a credit
9 device or debit device for the purpose of obtaining services or
10 property, knowing that:

11 (1) The device is stolen, fictitious or forged; or

12 (2) The device has been revoked or canceled; or

13 (3) For any other reason his use of the device is
14 unauthorized; or

15 (4) Uses a credit device or debit device for the purpose of
16 paying property taxes and knowingly cancels said charges or
17 payment without just cause. It shall be prima facie evidence of
18 a violation of this section if a person cancels said charges or
19 payment after obtaining a property tax receipt to obtain license
20 tags from the Missouri department of revenue.

21 2. Fraudulent use of a credit device or debit device is a
22 class A misdemeanor unless the value of the property tax or the
23 value of the property or services obtained or sought to be
24 obtained within any thirty-day period is one hundred fifty

1 dollars or more, in which case fraudulent use of a credit device
2 or debit device is a class D felony.

3 575.060. 1. A person commits the crime of making a false
4 declaration if, with the purpose to mislead a public servant in
5 the performance of his duty, he:

6 (1) Submits any written false statement, which he does not
7 believe to be true

8 (a) In an application for any pecuniary benefit or other
9 consideration; or

10 (b) On a form bearing notice, authorized by law, that false
11 statements made therein are punishable; or

12 (2) Submits or invites reliance on

13 (a) Any writing which he knows to be forged, altered or
14 otherwise lacking in authenticity; or

15 (b) Any sample, specimen, map, boundary mark, or other
16 object which he knows to be false.

17 2. The falsity of the statement or the item under
18 subsection 1 of this section must be as to a fact which is
19 material to the purposes for which the statement is made or the
20 item submitted; and the provisions of subsections 2 and 3 of
21 section 575.040 shall apply to prosecutions under subsection 1 of
22 this section.

23 3. It is a defense to a prosecution under subsection 1 of
24 this section that the actor retracted the false statement or item

1 but this defense shall not apply if the retraction was made
2 after:

3 (1) The falsity of the statement or item was exposed; or

4 (2) The public servant took substantial action in reliance
5 on the statement or item.

6 4. The defendant shall have the burden of injecting the
7 issue of retraction under subsection 3 of this section.

8 5. For the purpose of this section, "written" shall include
9 filings submitted in an electronic or other format or medium
10 approved or prescribed by the secretary of state.

11 6. Making a false declaration is a class B misdemeanor.

12 700.350. 1. As used in sections 700.350 to 700.390, the
13 term "manufactured home" shall have the same meanings given it in
14 section 700.010 or section 400.9-102(a)(53), RSMo.

15 2. Unless excepted by section 700.375, a lien or
16 encumbrance on a manufactured home shall not be valid against
17 subsequent transferees or lienholders of the manufactured home
18 who took without knowledge of the lien or encumbrance unless the
19 lien or encumbrance is perfected as provided in sections 700.350
20 to 700.380.

21 3. A lien or encumbrance on a manufactured home is
22 perfected by the delivery to the director of revenue[, by the
23 owner, of the existing certificate of ownership, if any, an
24 application for a certificate of ownership containing the name

1 and address of the lienholder and the date of his security
2 agreement, and the required certificate of ownership fee] of a
3 notice of lien in a format as prescribed by the director of
4 revenue. Such lien or encumbrance shall be perfected as of the
5 time of its creation if the delivery [of the items] of the notice
6 of lien required in this subsection to the director of revenue is
7 completed within thirty days thereafter, otherwise such lien or
8 encumbrance shall be perfected as of the time of the delivery. A
9 notice of lien shall contain the name and address of the owner of
10 the manufactured home and the secured party, a description of the
11 manufactured home, including any identification number and such
12 other information as the department of revenue shall prescribe.
13 A notice of lien substantially complying with the requirements of
14 this section is effective even though it contains minor errors
15 which are not seriously misleading. Liens may secure future
16 advances. The future advances may be evidenced by one or more
17 notes or other documents evidencing indebtedness and shall not be
18 required to be executed or delivered prior to the date of the
19 future advance lien securing them. The fact that a lien may
20 secure future advances shall be clearly stated on the security
21 agreement and noted as "subject to future advances" [in the
22 second lienholder's portion of the title application] in the
23 notice of lien and noted on the certificate of ownership if the
24 motor vehicle or trailer is subject to only one lien. To secure

1 future advances when an existing lien on a manufactured home does
2 not secure future advances, the lienholder shall file a notice of
3 lien reflecting the lien to secure future advances. A lien to
4 secure future advances is perfected in the same time and manner
5 as any other lien, except as follows: proof of the lien for
6 future advances is maintained by the department of revenue;
7 however, there shall be additional proof of such lien when the
8 notice of lien reflects such lien for future advances, is
9 receipted by the department of revenue, and returned to the
10 lienholder.

11 4. Whether a manufactured home is subject to a lien or
12 encumbrance shall be determined by the laws of the jurisdiction
13 where the manufactured home was when the lien or encumbrance
14 attached, subject to the following:

15 (1) If the parties understood at the time the lien or
16 encumbrances attached that the manufactured home would be kept in
17 this state and it is brought into this state within thirty days
18 thereafter for purposes other than transportation through this
19 state, the validity and effect of the lien or encumbrance in this
20 state shall be determined by the laws of this state;

21 (2) If the lien or encumbrance was perfected under the laws
22 of the jurisdiction where the manufactured home was when the lien
23 or encumbrance attached, the following rules apply:

24 (a) If the name of the lienholder is shown on an existing

1 certificate of title or ownership issued by that jurisdiction,
2 his lien or encumbrance continues perfected in this state;

3 (b) If the name of the lienholder is not shown on an
4 existing certificate of title or ownership issued by the
5 jurisdiction, the lien or encumbrance continues perfected in this
6 state for three months after the first certificate of title of
7 the manufactured home is issued in this state, and also
8 thereafter if, within the three-month period, it is perfected in
9 this state. The lien or encumbrance may also be perfected in
10 this state after the expiration of the three-month period, in
11 which case perfection dates from the time of perfection in this
12 state;

13 (3) If the lien or encumbrance was not perfected under the
14 laws of the jurisdiction where the manufactured home was when the
15 lien or encumbrance attached, it may be perfected in this state,
16 in which case perfection dates from the time of perfection in
17 this state;

18 (4) A lien or encumbrance may be perfected under paragraph
19 (b) of subdivision (2) or subdivision (3) of this subsection in
20 the same manner as provided in subsection 3 of this section or by
21 the lienholder delivering to the director or revenue a notice of
22 lien or encumbrance in the form the director prescribes and the
23 required fee.

24 5. By rules and regulations, the director of revenue shall

1 establish a security procedure for the purpose of verifying that
2 an electronic notice of lien or notice of satisfaction of lien on
3 a manufactured home given as permitted in this chapter is that of
4 the lienholder, verifying that an electronic notice of
5 confirmation of ownership and perfection of a lien given as
6 required in this chapter is that of the director of revenue, and
7 detecting error in the transmission or the content of such
8 notice. A security procedure may require the use of algorithms
9 or other codes, identifying words or numbers, encryption, call
10 back procedures or similar security devices. Comparison of a
11 signature on a communication with an authorized specimen
12 signature shall not by itself be a security procedure.

13 6. All transactions involving liens or encumbrances on
14 manufactured homes perfected pursuant to sections 700.350 to
15 700.390 after June 30, 2001, and before August 28, 2002, and the
16 rights, duties, and interests flowing from them are and shall
17 remain valid thereafter and may be terminated, completed,
18 consummated, or enforced as required or permitted by section
19 400.9-303, RSMo, or this section. Section 400.9-303, RSMo, and
20 this section are remedial in nature and shall be given that
21 construction.

22 7. The repeal and reenactment of subsections 3 and 4 of
23 this section shall become effective July 1, 2003.

24 700.355. [All certificates of title to a manufactured home

1 issued by the director of revenue shall be mailed or otherwise
2 delivered to the first lienholder named in such certificate or,
3 if no lienholder is named, to the owner named therein.] 1. A
4 certificate of title to the manufactured home when issued by the
5 director of revenue shall be mailed to the owner shown on the
6 face of the title of such manufactured home. Provided the
7 lienholder submits complete and legible documents, the director
8 of revenue shall mail confirmation or electronically confirm
9 receipt of each notice of lien to the lienholder as soon as
10 possible, but no later than fifteen business days after the
11 filing of the notice of lien.

12 2. A lienholder may elect that the director of revenue
13 retain possession of an electronic certificate of title, and the
14 director shall issue regulations to cover the procedure by which
15 such election is made. Each such certificate of ownership shall
16 require a separate election unless the director provides
17 otherwise by regulation. A subordinate lienholder shall be bound
18 by the election of the superior lienholder with respect to the
19 certificate involved.

20 3. As used in this section, "electronic certificate of
21 ownership" means any electronic record of ownership including a
22 lien or liens that may be recorded.

23 700.360. If an owner creates a lien or encumbrance on a
24 manufactured home:

1 (1) The owner shall immediately execute the application,
2 either in the space provided therefor on the certificate of title
3 or on a separate form the director of revenue prescribes, to name
4 the lienholder on the certificate of title, showing the name and
5 address of the lienholder and the date of his security agreement,
6 and shall cause the certificate of title, the application and the
7 required fee to be mailed or delivered to the director of
8 revenue. Failure of the owner to do so, including naming the
9 lienholder in such application, is a class A misdemeanor;

10 (2) [Upon request of the owner or subordinate lienholder, a
11 lienholder in possession of the certificate of title who receives
12 the owner's application and required fee shall mail or deliver
13 the certificate of title, application, and fee to the director of
14 revenue. The delivery of the certificate of title to the
15 director of revenue shall not affect the rights of the first
16 lienholder under his security agreement;

17 (3) Upon receipt of the certificate of title, application
18 and the required fee, the director of revenue shall issue a new
19 certificate of title containing the name and address of the new
20 lienholder, and mail the certificate of title to the first
21 lienholder named in it.] The lienholder or an authorized agent
22 licensed pursuant to sections 301.112 to 301.119, RSMo, shall
23 deliver to the director of revenue a notice of lien as prescribed
24 by the director of revenue accompanied by all other necessary

1 documentation to perfect a lien as provided in this section;

2 (3) To perfect a lien for a subordinate lienholder when a
3 transfer of ownership occurs, the subordinate lienholder shall
4 either mail or deliver or cause to be mailed or delivered, a
5 completed notice of lien to the department of revenue,
6 accompanied by authorization from the first lienholder. The
7 owner shall ensure the subordinate lienholder is recorded on the
8 application for title at the time the application is made to the
9 department of revenue. To perfect a lien for a subordinate
10 lienholder when there is no transfer of ownership, the owner or
11 lienholder in possession of the certificate, shall either mail or
12 deliver or cause to be mailed or delivered, the owner's
13 application for title, certificate, notice of lien, authorization
14 from the first lienholder and title fee to the department of
15 revenue. The delivery of the certificate and executing a notice
16 of authorization to add a subordinate lien does not affect the
17 rights of the first lienholder under the security agreement;

18 (4) Upon receipt of the documents and fee required in
19 subdivision (3) of this section, the director of revenue shall
20 issue a new certificate of ownership containing the name and
21 address of the new lienholder, and shall mail the certificate as
22 prescribed in section 700.355, or if a lienholder who has elected
23 for the director of revenue to retain possession of an electronic
24 certificate of ownership, the lienholder shall either mail or

1 deliver to the director a notice of authorization for the
2 director to add a subordinate lienholder to the existing
3 certificate. Upon receipt of such authorization, a notice of
4 lien and required documents and title fee, if applicable, from a
5 subordinate lienholder, the director shall add the subordinate
6 lienholder to the certificate of ownership being electronically
7 retained by the director and provide confirmation of the addition
8 to both lienholders.

9 700.365. 1. A lienholder may assign, absolutely or
10 otherwise, his lien or encumbrance on the manufactured home to a
11 person other than the owner without affecting the interest of the
12 owner or the validity or effect of the lien or encumbrance, but
13 any person without notice of the assignment is protected in
14 dealing with the lienholder as the holder of the lien or
15 encumbrance and the lienholder shall remain liable for any
16 obligations as lienholder until the assignee is named as
17 lienholder on the certificate of title.

18 2. An assignee under subsection 1 of this section may, but
19 need not to perfect the assignment, have the certificate of title
20 issued with the assignee named as lienholder, upon delivering to
21 the director of revenue the certificate of title, an assignment
22 by the lienholder named in the certificate of title, and the
23 required fee in the form the director of revenue prescribes.

24 3. If the certificate of ownership is being electronically

1 retained by the director of revenue, the original lienholder may
2 mail or deliver a notice of assignment of a lien to the director
3 in a form prescribed by the director. Upon receipt of notice of
4 assignment, the director shall update the electronic certificate
5 of ownership to reflect the assignment of the lien and
6 lienholder.

7 700.370. [1.] Upon the satisfaction of a lien or
8 encumbrance on a manufactured home [for which the certificate of
9 title is in the possession of the lienholder], the lienholder
10 shall, within ten days after demand, [and, in any event, within
11 thirty days, execute a] release [of his] the lien or encumbrance
12 on the certificate or a separate document, and mail or deliver
13 the certificate [and release to the next lienholder named
14 therein, or, if no other lienholder is so named] or separate
15 document, to the owner or any person who delivers to the
16 lienholder an authorization from the owner to receive the
17 certificate or separate document. Each perfected subordinate
18 lienholder, if any, shall release such lien or encumbrance as
19 provided in this section for the first lienholder. The release
20 on the certificate or separate document shall be notarized. The
21 owner may cause the certificate of title, the release, and the
22 required fee to be mailed or delivered to the director of
23 revenue, who shall release the lienholder's rights on the
24 certificate and issue a new certificate of title.

1 [2. Upon the satisfaction of a second or third lien or
2 encumbrance on a manufactured home for which the certificate of
3 title is in the possession of the first lienholder, the
4 lienholder whose lien or encumbrance is satisfied shall, within
5 ten days after demand, and, in any event, within thirty days,
6 execute a release and deliver the release to the owner or any
7 person who delivers to the lienholder an authorization from the
8 owner to receive it. The lienholder in possession of the
9 certificate of title shall, at the request of the owner and upon
10 receipt of the release and the required fee, either mail or
11 deliver the certificate, the release, and the required fee to the
12 director of revenue, or deliver the certificate of title to the
13 owner, or the person authorized by him, for delivery of the
14 certificate, the release and required fee to the director of
15 revenue, who shall release the subordinate lienholder's rights on
16 the certificate of title and issue a new certificate of title.]

17 700.380. All transactions involving liens or encumbrances
18 on manufactured homes entered into before [December 31, 1985]
19 July 1, 2003, and the rights, duties, and interests flowing from
20 such transactions shall remain valid [after December 31, 1985]
21 thereafter except as otherwise provided by law, and may be
22 terminated, completed, consummated, or enforced as required or
23 permitted by any statute or other law amended or repealed by
24 sections 700.350 to 700.380 as though such repeal or amendment

1 had not occurred.

2 Section B. The repeal and reenactment of section 375.018,
3 as enacted by house committee substitute for senate substitute
4 for senate bill no. 193, ninety-first general assembly, first
5 regular session, and the repeal of section 375.018 as enacted by
6 conference committee substitute for senate committee substitute
7 for house committee substitute for house bill no. 709, eighty-
8 seventh general assembly, first regular session, shall become
9 effective January 1, 2003.

10 Section C. The repeal and reenactment of sections 301.600,
11 301.610, 301.620, 301.630, 301.640, 301.660, 306.400, 306.405,
12 306.410, 306.415, 306.420, 306.430, 306.440, 454.516, 700.355,
13 700.360, 700.365, 700.370, and 700.380 of section A of this act
14 shall become effective July 1, 2003.